
ANTI-BRIBERY & CORRUPTION POLICY

1. Introduction

Ecofibre Limited (**Ecofibre, Company, We, Us**)¹ conducts business in an ethical and honest way and is committed to instilling a strong anti-corruption and anti-bribery culture.

This policy applies to all directors and employees of the Company, as well as contractors, agents and consultants (**Staff**) and where applicable any third party who conducts business activities on the Group's behalf or distributes the Group's products including suppliers, distributors, resellers, and consultants (**Third Party Representatives**).

Ecofibre applies a zero tolerance approach to acts of bribery and corruption by Staff and Third Party Representatives. Any breach of this policy will be regarded as a serious matter and will result in disciplinary action which may include termination of employment or other contracts as applicable.

Under the Policy you must:

- not give or accept gifts and/or benefits that will compromise, or appear to compromise, your integrity and objectivity in performing your duties; and
- not give or accept gifts and/or benefits that cause, or appear to cause a conflict of interest.

2. Purpose

The purpose of this policy is to protect the integrity of Ecofibre's reputation, to set out the responsibilities of all individuals working for or with the Company to observe and uphold its commitment to ethical and honest business practices.

This policy also provides information and guidance on how to recognise and deal with bribery and corruption issues.

3. Local laws

This Policy applies globally. Where a country has specific bribery and corruption laws which are of a lesser standard to this Policy, this Policy prevails.

4. What is bribery and corruption?

Bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

¹ In this policy any reference to Ecofibre Limited also includes any of its controlled subsidiaries

Bribes can take many different forms, but typically there will be a “quid pro quo” – meaning that both parties, or a person connected to one of the parties, will benefit. Acts of bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duty.

A bribe could be any of the following designed to exert improper influence:

- the direct or indirect promise, offering, or authorisation, of anything of value (whether the value is material or not);
- the offer or receipt of any kickback, loan, fee, reward or other advantage; or
- the giving of aid, donations or voting.

Corruption is the misuse or abuse of power, influence or position for private gain.

Who may be guilty of bribery and corruption?

Bribery and corruption can be committed by:

- an employee, officer or director; or
- any person acting on behalf of another; or
- organisations which authorise, permit or facilitate others to carry out such acts.

People who are likely to be approached with bribes or corrupt conduct are generally those who are able to obtain, retain or direct business, or government officials involved in some aspect of the regulation or purchase of a company's products and services, for example, tendering and contracting, or the handling of administrative tasks such as licences, customs, taxes or import/export matters.

Bribery and corruption laws and enforcement

Bribery is a criminal offence and penalties can be severe for both companies and individual employees.

Ecofibre recognises that breaches of the legislation in the various countries in which it operates that prohibit bribery and corruption are enforced with vigour by enforcement authorities in each jurisdiction. Acts of bribery and corruption committed overseas may well result in a prosecution in that country and in other jurisdictions (for example, an individual's home nation).

Bribes

Ecofibre employees and officers are not permitted to give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly.

Gifts, entertainment and hospitality

For the purposes of this policy, gifts, entertainment and hospitality mean payments (even those of potentially nominal value) or gestures provided to third parties of the Company or received by Staff in the course of conducting the Group business.

Provided the activity complies with all legislative requirements, this policy allows reasonable and appropriate gifts, entertainment and hospitality (more detail below) for the purposes of:

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- establishing or maintaining good business relationships;
 - improving or maintaining the Company's image or reputation; or
 - marketing or presenting the Company's products and/or services effectively.

To determine what constitutes an acceptable gift, entertainment or hospitality activity, Staff should consider:

- the intention or purpose – why is the gift, entertainment or hospitality activity occurring? Is it to influence a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits?
- the appearance of the activity – how would it look if the activity were reported in the media, or if the situation were reversed?

Ecofibre appreciates that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another. Regardless of the country or region in question, any gifts, entertainment or hospitality must always be reasonable, appropriate and for a proper purpose.

Staff are advised to always be mindful of the purpose and intention of any payment.

Suspensions, concerns or queries regarding a payment or this policy should be first raised with an individual's line manager, and then raised with the Managing Director if doubt remains.

When may gifts, entertainment and hospitality be acceptable?

A gift, entertainment, or hospitality activity conducted by Staff may be acceptable if it:

- is of a modest value – taking into account local laws, codes, customs, culture and otherwise in accordance with the Group Travel and Business Expense Reimbursement Policy;
- is given in the Group's name, not in the Staff member's name;
- does not include cash or cash equivalents;
- is appropriate in the circumstances, taking account of the reason for the gift, its timing and value;
- is given openly, not secretly; and
- complies with any applicable local law.

Examples of generally acceptable gifts, entertainment or hospitality activities include:

- promotional gifts of low value such as branded stationery to or from customers, suppliers and business partners;
- token gifts / benefits where offered in business situations or to all participants and attendees;
- a gift / benefit for presenting at a work related conference, seminar, and / or business event;
- a gift / benefit given in gratitude when hosting business events or overseas delegations only where refusal would be unreasonable and unnecessarily offensive; and
- refreshments or a modest meal during a meeting.

When are gifts, entertainment and hospitality unacceptable?

An unacceptable gift, entertainment or hospitality activity conducted by Company Staff is one:

- made in the expectation that either party will provide a business advantage in return;
- made during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- including cash or cash equivalents;

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- offering entertainment of a sexual or similarly inappropriate nature;
 - making incomplete, false or inaccurate entries in the Company's books and records;
 - being unduly lavish, inappropriate or extravagant under the circumstances;
 - involving government officials or representatives, or politicians or political parties, without the prior approval of the Managing Director; or
 - being otherwise in breach of this policy.

An example of an unacceptable gift is a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay).

If a person the Company does business with is a government official there are often local laws and applicable industry codes that may impose additional restrictions and those restrictions must always be adhered to. Staff must ensure that any benefit of any value proposed to be provided to (or received from) a government official is first discussed with the Managing Director and written approval obtained before proceeding.

5. Facilitation payments and kickbacks

Facilitation payments, also known as "back-handers", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example, by a government official). They are not commonly sought in Australia or the United States but are sometimes sought in other jurisdictions in which the Group operates or may operate in the future.

"Kickbacks" are typically payments made in return for a business favour or advantage.

It is the Group's policy that Staff and Third Party Representatives must:

- not make, nor accept, facilitation payments or "kickbacks" of any kind; and
- avoid any activity that might lead to a facilitation payment or kickback being made or accepted (or any activity that might suggest that such a payment will be made or accepted).

6. Donations

No contribution may be offered or made to a political party on behalf of the Company without the prior approval of the Board.

Charitable donations must not be made unless they are legal, ethical, in accordance with local laws and practices and have the prior approval of the Managing Director or the Board. In Australia, a charity is an organisation that has deductible gift recipient status with the Australian Taxation Office, which entitles donors to receive income tax deductible gifts and deductible contributions.

7. Third party representatives

Staff are responsible for the evaluation of each potential third party relationship and assessing any potential risk arising from the relationship before entering into a contractual relationship with the third party.

8. Reporting breaches of this policy

The Company expects all members of Staff to report promptly and in good faith any actual or suspected violation of this policy and to encourage other members of Staff and Third Party Representatives to do the same.

When making a report of suspected or known violations of this policy, Staff should follow the procedures set out in the Company's Whistleblower Policy.

9. Your Responsibilities

Preventing, detecting and reporting bribery and other forms of corruption is the responsibility of everyone at Ecofibre.

Staff must avoid any activity that might lead to, or suggest a breach of this Policy, and must notify their manager and/or the Company Secretary as soon as possible if a conflict with, or breach of, this Policy has occurred, or may occur in the future.

Staff who breach this Policy will face disciplinary action, up to and including in termination of employment or engagement.

10. Review

The Audit, Risk and Compliance Committee will review this Policy periodically to ensure that it remains effective.

This policy was approved and adopted by the Board effective 1 June 2019.