



# Terragen

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## Code of Conduct

**Terragen Holdings Limited**  
ACN 073 892 636  
**(Company)**

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## 1 Purpose and application

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### 1.1 Purpose of this code

The Company is committed to and strives to act honestly and with integrity in all its dealings. This code of conduct sets out the values, commitments, ethical standards and policies of the Company and outlines the standards of conduct expected of our business and people, taking into account the Company's legal and other obligations to its stakeholders.

The board of directors of the Company (**Board**) has endorsed this code. The Board and management believe that the Company's commitment to this code will maintain the confidence of the Company's key stakeholders in the Company's integrity.

### 1.2 Application of this code

This code applies to all directors of the Board, as well as all officers, employees, contractors, consultants, other persons that act on behalf of the Company, and associates of the Company.

You are expected at all times to act consistently with the values, commitments and ethical standards as set out in this code of conduct. This code operates in conjunction with the Company's policies and procedures relating to you.

It is essential that each of you are familiar with this code, which is available on the Company's website. Naturally, this code cannot cover every circumstance that you may face nor can it address every law, regulation or company policy that may apply to you. You are encouraged to obtain copies of the policies, standards and procedures relevant to your work. If you have any questions about your obligations or about the Company's expectations, please speak with your manager or the company secretary.

## 2 Our values and commitments

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### 2.1 Core values and commitments

The Company's core values and commitments are:

- (a) *Integrity* – we act honestly and with integrity in all our dealings, both internally and externally. We commit to only dealing with business partners who demonstrate similar ethical and responsible business practices.
- (b) *Respect* – we respect all people, their ideas and cultures and our words and actions must reflect this respect.
- (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 consistent with reasonable expectations of our investors and the broader community.
- (e) *Environment* – we are committed to acting responsibly towards the environment.

### 3 Our ethical standards and policies

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#### 3.1 Conflicts of interest

A conflict of interest occurs if your loyalties are divided, for example if you or your family or friends have a personal or commercial interest which may interfere, or be perceived to interfere, with the performance of your duties and responsibilities to the Company, making it difficult to perform your role objectively and effectively.

The existence of a conflict of interest is not uncommon. What matters is how we manage the conflict.

To safeguard the confidence of the Company's key stakeholders in the Company's integrity, it is paramount that you do not allow personal interests or the interests of family or friends conflict with the interests of the Company. You must avoid participating in decisions and activities which may conflict, or be perceived to conflict, with your duties and responsibilities to the Company.

You must 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.

#### 3.2 **You must not be involved in any other company or business or organisation as director, agent, employee or consultant, whether paid or unpaid, if there is a possibility that your personal interests could conflict, or be perceived to conflict, with those of the Company unless you obtain approval first from your manager or the company secretary or the Board (if you are a director). If you are involved in a conflict or possible conflict, or become aware of a conflict, you must tell your manager or the company secretary or the Board (if you are a director) as soon as possible.** Opportunities, benefits and ownership of work

You must not use Company property (including intellectual property), information, your position or opportunities which arise from these to improperly gain benefit for yourself or for another party.

You have an obligation to avoid all financial, business and other arrangements which may be opposed to the interests of the Company, or which may place you in a competitive position with the Company.

The product of any work performed while you are with the Company, or on behalf of the Company, or using Company property (including all intellectual property rights created in connection with that work) belongs to the Company.

#### 3.3 **Anti-bribery and gifts**

A number of countries, including Australia, have strict laws against bribery and corruption. The anti-bribery laws of some countries including Australia, the United States and United Kingdom can apply to things done in other countries (i.e. have wide-reaching extra-territorial effect). We 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.

Accordingly, the Company has a strict policy not to offer secret commissions or bribes to further its business interests. Depending on the circumstances, facilitation payments may breach anti-bribery laws.

Naturally, you must not accept any money or opportunity or other benefit which could be interpreted as an inducement, secret commission or bribe. Care must be exercised in accepting hospitality, entertainment or gifts over and above that required for the normal conduct of business or which may compromise your impartiality.

We are committed to adopting effective systems to counter bribery and related improper conduct and to monitoring and enforcing these systems. From time to time, we 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.

For more detailed information on your obligations, please see the Company's Anti-bribery policy, which is available on the Company's website. You may also seek further information or clarification from your manager, the company secretary, legal counsel, the Board (if you are a director) or other relevant advisor.

### 3.4 Dealings with politicians and government officials

All dealings with politicians and government officials which relate to the Company and its business activities must be conducted at arm's length and with the utmost professionalism, to avoid any perception of attempts to gain advantage or to improperly influence the outcome of an official decision.

You must not make any donation or other financial contribution to any political party or candidate for an election or sponsor any organisations (other than in a purely personal capacity) without seeking and obtaining prior approval from the company secretary.

### 3.5 Confidentiality

In the course of the Company's business, you will have access to business or personal information about the affairs of the Company, its clients, customers, employees, suppliers and our business partners. It may include business strategies, marketing and sales plans, competitive analysis, financial plans and forecasts, customer or employee information, supplier information and pricing. Each of the parties expects the confidential nature of the information they have given in good faith to be respected.

You must keep confidential information acquired while you are with the Company, or acting on behalf of the Company, confidential, even after you leave or cease your engagement with the Company.

You must not access or request or make improper use of or transfer or disclose confidential information to anyone else except as required by your position or as authorised or legally required. If it inadvertently comes into your possession it should be returned immediately.

If you are required by an authority to provide confidential information which has not been otherwise authorised, you must notify the company secretary.

### 3.6 Privacy

You must respect and safeguard the privacy of personal information held by the Company regarding its clients, customers, suppliers, employees and others. If you have access to this information, you must ensure that it is collected, kept, disclosed, handled and used in a manner that complies with the *Privacy Act 1998* (Cth), any other privacy and data protection laws that may apply and the Company policy on privacy.

### 3.7 Fair dealing

You must treat each other and all suppliers, competitors, clients, customers and other stakeholders fairly and with respect.

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.

Applicants for employment are evaluated by the Company on merit in accordance with their skills, qualifications and abilities, and having regard to the Company's operational needs.

The Company is committed to ensuring the highest quality of service is provided to its customers and clients at all times. The Company makes decisions regarding suppliers and contractors on merit and a commercial basis.

The Company collects information about its competitors and others in a lawful manner.

### **3.8 Discrimination, bullying, harassment and vilification**

Discrimination, bullying, harassment or vilification in the workplace will not be tolerated by the Company. Any such conduct will be dealt with in accordance with Company policy. For further information, including who to contact, see the Company's website.

### **3.9 Health and 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.

Company officers have additional due diligence health and safety obligations which they must comply with.

The use of alcohol and drugs may impair performance at work, have an adverse impact on productivity, and can pose a risk to health and safety. To assist with ensuring the safety of our workplace, the consumption of alcohol, and the use of any prescription drugs which may impair a person's ability to perform their work, or which pose a risk to their or others' health and safety, must be strictly in accordance with Company policy.

The Company will not tolerate the use of alcohol, illegal drugs and improperly used prescription medicine on Company premises or when performing work for the Company, travelling on behalf of the Company, attending work related functions or activities or conducting business on the Company's behalf. The possession, use, sale or offering or distribution of illegal drugs or other controlled substances on Company premises or while performing work for the Company, conducting Company business, travelling on behalf of the Company or at work related functions or activities is forbidden.

It is important that we work together to create a safe and healthy workplace. If you know of or suspect any unsafe situations or conditions, please alert your manager or supervisor immediately.

### **3.10 Protection of and use of the Company's assets and property**

You must protect the Company's assets and property (including intellectual property) and ensure that the Company's assets and property are used only for the benefit of the Company's business. You must report any suspected or actual theft or fraud to your manager or the company secretary or any other contact nominated by the Company.

You must not use the Company's assets or property for personal purposes except in accordance with any Company policy or approved arrangement.

You must return Company assets and property immediately upon request by the Company.

All expenses must be documented and reported in a timely manner.

### **3.11 Compliance with laws and regulations**

The Company is committed to complying with the laws and regulations of the countries in which we operate which relate to the Company.

You must comply with all laws and regulations relating to the Company, including document retention requirements. You must also comply with the technical and ethical requirements of any relevant regulatory or professional body. You must not breach, or omit to do something in breach of, any law or regulation or requirement. All actual or potential breaches must be reported immediately to the company secretary or your manager.

Where local laws, regulations, or customs differ from this code, you must apply this code or local requirements, whichever sets the higher standard of behaviour.

Ignorance of the law or having a good intention does not excuse your obligation to comply. You must participate in relevant compliance training programs offered by the Company.

If you are uncertain about the interpretation of any applicable law or regulation or requirement, contact your manager or the company secretary or a relevant advisor.

### 3.12 **Responsibility to shareholders and other stakeholders**

The Company is committed to providing value to its shareholders and recognising the legitimate interests of other stakeholders. The Company has policies regarding the timely provision of information to its shareholders and other stakeholders including posting information to its website. It has processes to ensure that the accounts and financial information it provides represent a true and fair view of the financial performance and position of the Company.

You must fully cooperate with, and not make any false or misleading statement to, or conceal any relevant information from, the Company's auditors.

### 3.13 **Related party transactions**

The Company is committed to complying with the related party transaction requirements contained in the Corporations Act and ASX Listing Rules and preventing financial benefits from being given to related parties without due consideration by the Board and, if appropriate, shareholders.

As further explained below, all related party transactions must be:

- (a) Notified to the Company Secretary prior to their execution; and
- (b) On arm's length terms' and
- (c) Approved by the Board.

Related party transactions not on arm's length terms must be approved by the Company's shareholders (unless another exception applies – see below).

#### *What is a related party transaction?*

The related party provisions of the Corporations Act essentially provide that public companies must not give a financial benefit to a related party without the approval of the Company's shareholders, unless the giving of that benefit falls into one of the exceptions given in the Corporations Act.

Related parties of the Company include all subsidiary companies, the directors (and their immediate families) of any subsidiaries, any entity that has the ability to control the Company or any subsidiary (as well as its directors and their immediate families) and any other person who is a related party as prescribed by the Corporations Act.

The definition of financial benefit is broad and includes a party providing finance or property to a related party; buying or leasing an asset or selling an asset to a related party; issuing securities or granting an option to a related party; supplying or receiving services from the related party; and taking up or releasing an obligation of the related party. These examples are not exhaustive and guidance should be sought if you are unsure whether a transaction might be a related party transaction.

A financial benefit includes the giving of a financial benefit indirectly through an interposed entity and does not require the payment of money.

#### *The exceptions*

The Corporations Act provides a number of statutory exceptions for related party transactions where shareholder approval is not required. These exceptions include:

- (a) Transactions that are on arm's length terms or are on terms that are less favourable to the related party than arm's length.

- (b) If the benefit is a payment of expenses incurred or to be incurred, or reimbursement for expenses incurred, by a related party in performing duties as an officer or employee of the Company and the benefit is reasonable in the circumstances.
- (c) Payment of remuneration to officers or employees of the Company which is reasonable in the circumstances.
- (d) Indemnities, exemptions and insurance premiums and payment for legal costs for officers or employees of the Company.
- (e) Where the value of the financial benefit (together with all other financial benefits given to the related party in the relevant financial year without shareholder approval) is less than \$5,000.
- (f) Benefits given by the Company to a wholly-owned subsidiary (or vice versa).
- (g) Benefits given to related parties in their capacity as members of a public Company (eg the Company) provided that the benefit does not discriminate unfairly against the other members of the public Company.

*Referral to the Audit and Risk Committee / Board*

Full and appropriate disclosure about a proposed related party transaction is to be made to the Company Secretary prior to any transactions being entered into. The Company Secretary will compile the information provided and refer the matter to the Audit and Risk Committee and/or Board for consideration.

Where time permits, the matter will first be reviewed by the Audit and Risk Committee, who is responsible under the Audit and Risk Committee Charter for reviewing and monitoring the propriety of related party transactions. The Audit and Risk Committee may make a recommendation to the Board in relation to such transactions.

Where appropriate, the Audit and Risk Committee or Board may refer to any internal or external advice or recommendations on the transaction.

Where the Board determines that the proposed transaction is on arm's length terms or subject to any other exception such that shareholder approval is not required, it may resolve to proceed with the proposed transaction on terms it considers appropriate.

Where the Board determines, based on the information available to it, that the proposed transaction is not on arm's length terms, not subject to any other exception or such that shareholder approval should nevertheless be obtained, and resolves that the proposed transaction should nevertheless proceed (subject to the required shareholder approval), the Board must call a meeting of shareholders to be held to consider and, if thought fit, approve the proposed transaction.

Persons with a material personal interest in the outcome of a proposed related party transaction must disclose that interest to the Company Secretary, who will notify the Audit and Risk Committee and the Board. The interested party must not participate or be involved in the decision-making processes of the Audit and Risk Committee and Board. Where the interested person is a director, he or she must not be present while the proposed transaction is being considered or vote on the proposed transaction.

### 3.14 **Insider trading**

Insider trading laws prohibit a person in possession of material non-public information relating to a company from dealing in that company's securities. Insider trading is a serious offence under the Corporations Act.

The Company's trading policy is available on the Company's website. It provides guidance so that you do not deliberately or inadvertently breach the insider trading laws or the Company's policy.



### 3.15 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.

## 4 Breach of this code

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The highest standards of corporate conduct are critical to the Company's success and image. 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.

If a breach is found to have occurred, you may face legal or disciplinary action including termination of employment.

## 5 Administration

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### 5.1 Where can I obtain further information?

The Company has a dedicated person responsible for the administration of this code. At the date of adoption of this code, this is the company secretary.

If you require further information or assistance, or are uncertain about the application of this code or the law, please contact the company secretary.

### 5.2 Review and publication of this policy

The Board will review this code annually. This code may be amended by resolution of the Board.

A copy of this code will be available on the Company's website. It will be distributed to all directors, employees and other persons as relevant. Key features will be published in:

- (a) either the annual report or on the Company's website; and
- (b) in the Appendix 4G to be lodged with the ASX at the same time as lodgement of the annual report.

**Adopted by the Board on 20 August 2019**