

Code of Conduct

This Code of Conduct Morella Corporation Limited ABN 39 093 391 774 (“the Company”) sets out guiding principles and standards of behaviour which the Board, management and employees of the Company are required to comply with when dealing with each other, shareholders, and the broader community.

This Code of Conduct pertains to the Company and any subsidiaries owned or controlled by the Company (“the Group”).

This Code of Conduct is authorised by the Board of Directors on 20 September 2021 and is due for review before 20 September 2022.

Introduction

This Code of Conduct sets out the guiding principles and standards of behaviour which the Board, management and employees of the Morella group of companies are required to comply with when dealing with each other, shareholders, and the broader community.

Interpretation and application

This Code should be considered in conjunction with applicable legislation, separate Company policies on specific conduct matters and supporting procedures.

The Code applies to all Company directors, managers and employees (“Personnel”).

The Code also applies to contractors, agents and other intermediaries engaged by the Company.

Commitment of the Board and Management to the Code of Conduct

The Company is committed to the highest standards of ethical business conduct.

The Board and Management approve and endorse this Code of Conduct and support the Code and all it strives to achieve.

The Board and Management encourage all staff to consider the principles of the Code, and to use them as a guide as to how to respond when acting on behalf of the Company.

Company Values

This Code of Conduct is based upon the following key principles of ethical business conduct:

- Acting with honesty and integrity.
- Abiding by laws and regulations.
- Respecting confidentiality and handling information in a proper manner.
- Maintaining the highest standards of professional behaviour.
- Avoiding, or if unavoidable, transparently managing conflicts of interest.
- Striving to be a good corporate citizen and to achieve community respect.

Responsibility to Shareholders

The Company aims to:

- Increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders.
- Comply with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

Responsibility with the broader Community

The Company will recognise, consider and respect environmental issues which arise in relation to the Company's

activities and comply with all applicable legal requirements.

The Company recognises and respects the rights of individuals and will comply with the applicable legal rules regarding privacy, privileges, private and confidential information.

The Company will deal with customers, suppliers and competitors in a way that is fair and will not engage in deceptive practices.

Compliance with the Law

All Personnel must comply with all legal requirements which affect the Company's business. Any transgression from the applicable legal rules must be reported to the senior Management (Chief Executive Officer, Managing Director, Executive Director) as soon as a person becomes aware of such a transgression.

Personnel must not trade in the Company's securities whilst in possession of "inside information" about the Company. This extends to communicating such information to another person who might trade in the Company's securities. For further information please refer to the Securities Trading Policy.

Personnel shall also comply with anti-bribery and foreign corrupt practices laws. For further information, please refer to the Anti-Corruption Policy.

Employment Practices

Occupational Health and Safety. The Company will provide and maintain a safe workplace and undertake proper occupational health and safety practices (including the provision of training, supervision and personal protective equipment) commensurate with the nature of the Company's business and activities.

All Personnel have a responsibility to take reasonable care to ensure their own safety and health at work, and not engage in conduct that adversely affects the safety and health of other persons.

Alcohol and Drug Usage. Employees have a responsibility to present for work in a fit state and must not be impaired by illicit drugs or alcohol.

Where an employee is on prescribed medication that has the potential to impact on performance and safety, the immediate supervisor or manager must be notified to ensure that the safety and health of that employee and other persons is not affected.

Management of Diversity. The Company recognises the diversity of its workforce and is committed to equal opportunity for its employees. There shall be no discrimination against a person on the basis of race, colour, gender, age, disability, marital status, family responsibilities, pregnancy, sexual orientation, religion or political beliefs.

Harassment of any person on any basis is unacceptable conduct.

Intellectual Property. Any intellectual property developed by an employee during or as a result of their employment with the Company is the sole property of the Company.

Outside Employment. Employees shall not engage in outside paid employment without the prior approval of their manager.

Gifts and Entertainment. Care should be exercised with the giving and receipt of gifts and entertainment to ensure that the amounts are not of a significant or excessive value, that no conflicts of interest arise and that business decisions are not compromised.

All Personnel are to seek approval from their supervisor prior to accepting gifts or entertainment, where this is not practical, Personnel are to notify their supervisor at the first appropriate opportunity.

Conflicts of Interest

Personnel must avoid any personal, financial or other interest which can conflict with their duties and responsibilities to the Company.

Where a conflict of interest arises for managers and employees, the matter should be fully disclosed to that person's manager and reported to the Chief Executive Officer, so that it may be considered and dealt with in an appropriate manner for all concerned.

Where a conflict of interest arises for a Director, the matter should be fully disclosed to the other Directors and to the Company Secretary, so that it may be considered and dealt with in an appropriate manner for all concerned.

All material conflicts of interest shall be subsequently reported to the Managing Director and to the Chairman of the Audit and Risk Committee.

Corporate Opportunities

Personnel have a legal obligation to not misuse their position to gain an advantage for themselves or someone else, or to cause detriment to the Company.

The assets of the Company must be protected to ensure that they are available for legitimate business purposes and that all corporate opportunities are enjoyed by the Company.

Confidentiality

Personnel have a legal obligation to not misuse information to gain an advantage for themselves or someone else, or to cause detriment to the Company. This obligation continues after a person leaves the Company.

Confidential information must not be disclosed to another person, except where specific authorisation is given by the Company or the disclosure is required by law.

Compliance with the Code of Conduct

All breaches of the Code of Conduct shall be reported to the Chief Executive Officer.

Material breaches of the Code of Conduct shall also be reported directly to the Chief Executive Officer, the Company Secretary and the Chairman of the Audit and Risk Committee.

Reports of any breach of this Code that have been made in good faith will be treated with respect and in confidence. Except for the event of deliberate false reporting, Personnel who report possible breaches of this Code will not be personally disadvantaged (such as demotion, harassment and discrimination) as a result of the making the report.

Personnel seeking advice or further information on the application of the Code should contact the Company Secretary or and Executive Director.

Periodic review of the Code of Conduct

The Company will monitor the effectiveness of this Code by liaising with the Board, management and staff, particularly in relation to any areas of difficulty which may arise from the Code. Suggestions for improvement or amendments to the Code of Conduct are welcome and can be made at any time by contacting the Company Secretary.

The Code shall be reviewed by the Board from time to time as appropriate.