

APPENDIX I: ANTI-BRIBERY AND CORRUPTION POLICY

1. Background and Purpose

EBOS Group Limited and its subsidiaries (collectively, EBOS) is committed to maintaining high ethical standards and full compliance with the law in all aspects of its business.

EBOS has zero tolerance for bribery or corruption in connection with its operations and activities.

EBOS has adopted this Anti-Bribery and Corruption Policy (the Policy) to promote full compliance with the anti-bribery and anti-corruption laws that apply to its business in or outside of New Zealand and Australia, and this commitment is embodied in the EBOS Code of Ethics.

The Board of EBOS Group Limited has approved this policy

2. Scope

The Policy applies to all directors, officers, employees, contractors and representatives of EBOS and any ventures or entities effectively controlled by EBOS (EBOS people). It applies to all EBOS operations and activities globally.

3. Responsibilities

It is the responsibility of all EBOS people to ensure that they understand and comply with the Policy and are vigilant to “red flag” issues or significant bribery risks. A non-exhaustive list of significant bribery risks or “red flags” are set out in Appendix 1 of this Policy.

If you are uncertain about any aspect of the Policy, or the appropriate course of action to take in a certain situation relevant to the Policy, you should contact your manager or Group Legal.

The Audit & Risk Committee of the EBOS Board is responsible for the overall administration of the Policy and will monitor its implementation by:

- reviewing the suitability and effectiveness of the Policy every 2 years; and
- reviewing and reporting on actual and reported breaches of the Policy every 6-12 months (depending upon the frequency of reported incidents).

4. The Key Dos and Don'ts

Do	Don't
1 Know your obligations under the Policy.	1 Offer, give, solicit or accept bribes.
2 Complete due diligence on third parties and ensure anti-bribery provisions are in contracts where required.	2 Make facilitation payments.
3 Keep accurate and transparent records.	3 Offer, pay, solicit or accept secret commissions.
4 Do your anti-bribery training.	4 Give or accept improper gifts, hospitality or entertainment.
5 Report suspected instances of breach.	5 Engage in money laundering.

5. Consequences of Breaching the Policy

Bribery and the other corrupt conduct addressed by the Policy are very serious breaches of this policy and potentially are criminal offences. All reported incidents will be taken seriously, reviewed and thoroughly investigated. Depending on the circumstances, the incident may be referred to regulatory and/or law enforcement agencies.

A breach of the Policy may be regarded as serious misconduct, leading to disciplinary action that may result in termination of employment. A breach of the Policy may also expose EBOS people and EBOS to criminal and/or civil penalties, substantial fines, exclusion from tendering for contracts, loss of business and reputational damage.

6. Prohibitions against Bribery and Corruption

EBOS has zero tolerance for bribery or corrupt conduct in connection with its business.

EBOS people **must not**:

- Engage in bribery: The act of offering, promising, authorising, providing, soliciting or receiving a benefit (including a non-monetary benefit) with the intention of influencing a public official or person in the private sector in the performance of their duties, to obtain business or a business advantage that is not legitimately due.
- Engage in corruption: The misuse of entrusted power or office, whether in the public or private sector, for private gain.
- Make facilitation payments: The payment of a nominal amount or other inducement to a public official, either directly or indirectly, to secure or expedite the performance of a routine action or function that the public official is already obliged to perform. For example, payments made in order to expedite customs clearance following the purchase of raw materials in Thailand.
- Offer, pay, solicit or receive secret commissions: Where a person or entity offers or gives a commission to an agent or representative of another person (the 'principal') that is not disclosed by that agent or representative to the principal. The commission is made as an inducement to influence the conduct of the principal's business. For example, if an EBOS employee made a payment to an agent of a prospective distribution partner in return for that agent facilitating EBOS securing favourable commercial terms in the distribution agreement, and that agent did not disclose the payment to the distribution partner, that payment would constitute a secret commission.
- Engage in money laundering: The process by which a person or entity conceals the existence of an illegal source of income and then disguises that income to make it appear legitimate. For example, a supplier in China insisting that EBOS start making payments in return for goods purchased in China into an offshore bank account to conceal the fact that they are manufacturing the goods without the requisite licence to do so.
- Offer or accept gifts, entertainment or hospitality otherwise than in accordance with the requirements set out in the Policy.
- Engage with third parties without following the due diligence and contractual controls requirements set out in the Policy.

7. **Gifts, Entertainment and Hospitality**

EBOS people must not offer or accept gifts, entertainment and hospitality unless the following conditions are all met:

- given for the purpose of general relationship building only;
- not intended, and cannot reasonably be construed, as an attempt to improperly influence the recipient's performance of a role or function;
- complies with the local laws and regulations of the jurisdiction in which it is made;
- given in an open and transparent manner; and
- does not include cash, loans or cash equivalents (such as gift certificates or vouchers).

Each business or division must maintain a Gifts, Entertainment and Hospitality Register. All EBOS people must record gifts, entertainment or hospitality given or received that are to the value of over NZD/ AUD\$200. The executive in charge of a business or division must ensure that the Register is kept up to date and provide Group Legal with copies of the Register as requested by Group Legal.

8. **Political Donations**

EBOS people are prohibited from making donations to political parties, organisations, incumbents, candidates or any public official on behalf of EBOS.

However, EBOS may choose to make donations to political parties because it believes they would enable the parties to perform their functions better and to improve the democratic process. The context of any political donations is key in determining their appropriateness.

All political donations must be approved by the EBOS Group Board before being made.

9. **Engagement with Third Parties**

9.1 **Due diligence**

Prior to engaging any third parties, EBOS people must conduct due diligence if the third party constitutes any of the following: potential joint venture partner, merger or acquisition target, recipient of a charitable or political donation, community program partner, material supplier, or an agent or intermediary that may engage with government or other business partners on EBOS' behalf.

If due diligence is required, EBOS people must complete the Due Diligence Checklist available on the intranet or from Group Legal. Where any red flags are identified in the course of completing the Checklist, EBOS people must inform Group Legal. Group Legal must confirm whether it is appropriate to proceed with the engagement in those circumstances.

9.2 **Contractual controls**

If due diligence on a particular third party was necessary, any engagement with that third party must include clauses addressing anti-bribery and corruption. These clauses are available on the intranet or from Group Legal.

9.3 **During the engagement**

During the engagement, EBOS people must maintain oversight of the work of the third party (including, where appropriate, requesting and reviewing progress reports, invoices and other documentation) in order to confirm that legitimate work has been undertaken and improper payments have not been made.

Any red flags must be reported to Group Legal. Group Legal must fully document and investigate all red flags identified during the engagement.

9.4 **Training**

All EBOS people must complete online and/or face-to-face training as directed by Group Legal. Group Legal will keep records of EBOS people that have received training on the Policy.

10. **Documentation and Record-keeping**

Group Finance and the finance and commercial team within a business must record all financial transactions accurately, completely and fairly in accordance with EBOS' internal accounting controls. Books and records must record, in reasonable detail, the parties, payment arrangements and purpose of all transactions and disposition of assets. No accounts are to be kept 'off the books' for any reason.

11. **Reporting**

EBOS people must immediately report any actual or suspected breaches of the Policy to their manager, the executive in charge of the business or division or Group Legal.

Group Legal must investigate all reported actual or suspected breaches of the Policy. Group Legal must also report all material breaches of the Policy to the Audit & Risk Committee of EBOS Group Limited.

Appendix 1: Potential Bribery/Corruption risk scenarios: "red flags"

There are a number of issues i.e. "red flags" that may raise concerns and require further investigation/due diligence into whether a particular transaction presents a potential bribery issue. Potential issues that may call for further investigation include (this list is not intended to be exhaustive):

- A third party engages in, or has been accused of engaging in, improper business practices;
- A third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for EBOS;
- A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- A third party requests an unexpected additional fee or commission to "facilitate" a service, or a fee that is not published;
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- A third party requests that a payment is made to "overlook" potential legal violations;
- A third party insists on the use of side letters or refuses to put terms agreed in writing;
- A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to EBOS;
- An individual is offered an unusually generous gift;
- We receive an invoice from a third party that appears to be non-standard or customised;
- We have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- The prevalence of bribery in a country (see the [Corruption Perceptions Index 2013 compiled by Transparency International](#));
- Payments of unusually high fees or commissions;
- Requests for cash payments;
- Request for payments to different companies or to different countries;
- Undefined or unreported payments to third parties made on EBOS's behalf;
- Absence of written agreements;
- Unusually close relationships with government officials;
- A refusal to certify compliance with this Policy.

Individuals who encounter any of these red flags must report them promptly to their manager and to Group Legal.