



# **Anti-Bribery and Corruption Policy**

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Silex Systems Limited

ACN 003 372 067

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## 1. PURPOSE

Silex Systems Limited (Silex) (the Company) is committed to maintaining the highest standards of integrity and accountability in conducting its operations. Compliance in all respects with applicable laws is a fundamental principle that guides the Company's corporate culture and conduct. This Anti-bribery and Corruption Policy (Policy) provides a framework of guidelines and principles to encourage ethical behaviour in the conduct of the Company's operations.

## 2. SCOPE

This policy applies to the following:

- Executive, Non-executive directors and designated officers;
- Full-time, part-time and casual employees; and
- Contractors, subcontractors, consultants and all other persons performing work at the direction of, or on behalf of Silex;

wherever located and are collectively referred to as employees in this Policy. Employees involved in international business must familiarise themselves with this Policy and applicable local laws in order to ensure they do not breach this Policy or violate the law.

## 3. DEFINITIONS

<b>Bribery</b>	The offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages.
<b>Corruption</b>	The abuse of entrusted power for private gain.
<b>Third Party</b>	Any individual or organisation encountered during the course of business, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## 4. COMPLIANCE WITH THE LAW

All employees shall comply with all applicable laws and regulations to which the Company or employees are subject. In the case of any proposed payment or transaction, employees shall (if required following consultation with the CEO/Managing Director), take advice from legal counsel to assure that such payments or transactions also comply with all applicable laws.

## 5. PERSONS RESPONSIBLE FOR IMPLEMENTATION OF THIS POLICY

The Board has appointed the CEO/Managing Director to oversee and implement this Policy. The CEO/Managing Director shall be responsible for:

- (a) establishing and maintaining the practices and procedures necessary to implement this Policy and prevent any violation of its provisions;
- (b) disseminating this Policy to all employees; and
- (c) ensuring the Board are informed of any material breaches of this Policy.

## 6. PROHIBITED ACTIVITY

The Company and its employees shall not, either directly or indirectly through any Third Party:

- (a) authorise, offer or pay anything of value to any Third Party for the purpose of influencing or causing another person to influence any act or decision of the official or entity in order to obtain or retain an advantage in the course of business;
- (b) demand, solicit or accept an improper benefit, which may include monetary or non-monetary benefits, in exchange for the unscrupulous use of any employee's authority for personal gain;
- (c) falsify books and records;
- (d) misappropriate funds, securities, supplies, or other assets;
- (e) improperly handle money or report financial transactions;
- (f) improperly disclose to other persons regarding the activities engaged in, or contemplated by, the Company;
- (g) improperly destroy or alter records; or,
- (h) make a facilitation payment of any amount, even if the payment is a generally accepted practice in that particular country.

## 7. LEGAL PAYMENTS

As a general rule, payments to foreign public officials that would otherwise be prohibited are permitted only if:

- (a) they are lawful under the written laws of Australia and the foreign official's country;  
or
- (b) subject to the written laws of Australia and the foreign official's country, they are made as a reasonable and bona fide expenditure directly related to either promotional activities or the execution or performance of a contract with a foreign government; or
- (c) subject to the written laws of Australia and the foreign official's country, they are payments made to expedite or secure performance of routine governmental action

Proper guidance should be sought from the CEO/Managing Director, and if necessary, appropriate external legal counsel in the relevant jurisdiction, and the process documented, before determining the legality of a proposed payment.

## 8. DUE DILIGENCE

To ensure compliance with the applicable laws on foreign corrupt practices, the Company must exercise caution in dealing with a Third Party. The Company may be liable for the actions of its Third Party, and this risk can be substantial in countries where illicit payments are prevalent. The Company should be consistent in its implementation of the due diligence process.

Prior to the Company retaining a Third Party, the person hiring the Third Party should make his or her best efforts to research the reputation, background and past performance of the prospective Third Party in as many of the following areas as is practicable in the context of the nature and materiality of the proposed contract and seek the appropriate approval for the engagement:

- (a) *Management Information*: Identify the directors, officers and other members of management of the proposed Third Party, where applicable and determine if any of them are public officials;
- (b) *Ownership Information*: Identify the stockholders, partners or other principals of the proposed Third Party, where applicable and determine if any of them are public officials;
- (c) *Affiliations*: Identify the business and government affiliations of the proposed Third Party, its, his or her family and close associates;
- (d) *Reputation*: Obtain information concerning the reputation of the Third Party particularly with respect to criminal records or a demonstrated tendency to make unlawful payments;
- (e) *References*: Obtain character and financial reference checks on the proposed Third Party;
- (f) *Local Law*: Confirm that the relationship with the Third Party and the performance by the Third Party of the services required in their contract are consistent with local law;
- (g) *Compensation*: Confirm that the level of compensation is reasonable, given the experience of the Third Party, the country where services are to be performed, the expected results and the amount and difficulty of work to be performed; and
- (h) *Employee Certification*: The person who is proposing engagement of the Third Party should confirm who introduced the Third Party to the Company and provide an explanation of why the Third Party was selected. That person and his or her supervisor should certify that the Third Party has been personally interviewed and that there is no reason to believe that the Third Party has violated this Policy or will violate this Policy regarding future activities on behalf of the Company.

## 9. CONTRACTING WITH THIRD PARTIES

Upon obtaining the relevant approval to engage a Third Party, the Company will seek to contract with the Third Party using a written agreement that contains as many of the following provisions as is practicable in the context of the nature and materiality of the proposed contract:

- (a) the Third Party shall acknowledge that it, understands the provisions of this Policy and agrees to comply with its terms and all applicable laws;
- (b) the Third Party shall acknowledge that the terms of their engagement may be disclosed by the Company to other parties including government agencies;
- (c) the Third Party shall provide representations and warranties that neither it, nor any of its owners, directors, officers, principals or employees are public officials and that it will promptly inform the Company of any changes in that regard;
- (d) the Company expressly states that its choice of Third Party was made after considering factors that support a belief that the applicable law and this Policy would not be violated;
- (e) assignment of the entire agreement or any rights, duties or obligations under the agreement by the Third Party is prohibited without the Company's prior written consent;
- (f) payment should be by wire transfer to a bank account that is registered in the name of the Third Party, and located in the country in which the Third Party performed the services unless there is an acceptable explanation for other arrangements;
- (g) travel, entertainment and other miscellaneous expenses should not be incurred by the Third Party without the Company's prior written approval, and all requests for reimbursement should be supported by documentation reasonably acceptable to the Company. Detailed records of all approved expenses should be kept;
- (h) to the extent permitted by law, the Third Party agreement should provide for automatic termination without compensation in the event a Third Party has made, attempted to make, makes, attempts to make, or proposes to make, an unlawful payment; and
- (i) the Company has the right to audit the Third Party's compliance with the agreement, including the expenses and invoices of the Third Party.

## 10. MANAGING A THIRD PARTY

The Company should take measures reasonably within its power to ensure that:

- (a) any payment made to a Third Party represents no more than the amount outlined in the written agreement with the Third Party and is an appropriate remuneration for the legitimate services rendered;
- (b) no part of any such payment is passed on by the Third Party as an unlawful payment or otherwise in contravention of this Policy; and
- (c) the activities of the Third Party are monitored to ensure that there is no breach of applicable law or this Policy.

## 11. GIFTS AND ENTERTAINMENT

The offer and acceptance of entertainment, gifts and favours must at all times be in compliance with the Company's policies and with the Code of Conduct. Employees must declare **all** gifts and benefits that are offered by a Third Party valued at AUD\$150 or more (excluding GST) to the CEO/Managing Director (noting that gifts and benefits should not be accepted on a re-occurring basis from the same Third Party, nor broken down into parts of less than AUD\$150). The Company and employees shall not, either directly or through an intermediary, offer or provide gifts, hospitality or reimbursement of travel or other expenses to a public official, except with the prior approval of the CEO/Managing Director.

## 12. POLITICAL DONATIONS

Political donations refer to contributions of anything of value to support a political goal - including donations made to persons/organisations which are close to political parties or other political institutions. These donations present particularly high risks for bribery and corruption, and are illegal in many countries. Consequently, it is prohibited for employees to make any political contributions on behalf of the Company, as it would be perceived as inappropriately 'buying influence'. Particular care must be taken in assessing requests for funding from organisations which may themselves provide funding to political parties, including trade unions and 'think tanks'.

## 13. CHARITABLE DONATIONS

Charitable donations may often be made for reasons of a personal interest, and used to disguise bribes and corrupt payments. Consequently, such donations on behalf of the Company are not permitted, unless they are to established charities with recognised charitable aims, and are formally approved by the CEO/Managing Director.

## **14. SPONSORSHIPS**

Commercial sponsorship occurs when a company enters into a contractual agreement with a Third Party, under which the company makes payments in return for the opportunity to advertise its products/services through logos, promotional flyers or advertisements. Commercial sponsorship agreements are a relatively high-risk area, particularly where they are agreed in countries which have a poor record of preventing corruption. Consequently, it is prohibited to enter into any such sponsorship agreements, or make any sponsorship payments, on behalf of the Company without the prior written approval of the CEO/Managing Director.

## **15. FACILITATION PAYMENTS**

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, e.g. Processing papers, issuing permits and other actions of an official in order to expedite performance of duties of a non-discretionary nature (i.e. which they are already bound to perform). The payment or other inducement is not intended to influence the outcome of the official's action, only its timing. Facilitation payments, whether legal or not in any country, are prohibited.

## **16. VIOLATION REPORTING AND GUIDANCE**

All employees must immediately report any breaches of this Policy or violations of applicable law to the CEO/Managing Director. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any party based upon any lawful action of such party with respect to good faith reporting of concerns regarding compliance with this policy.

Under the Code of Conduct, all employees have a responsibility to not engage in or tolerate bribery or any other form of corruption as well as any other suspicious activity or wrong doing in connection with the Company. Silex is committed to ensuring that all employees have a safe, reliable and confidential way of reporting any suspicious activity. Employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage with your manager or the CEO/Managing Director.

If you are not comfortable, for any reason, with speaking directly to your manager, Silex conforms to Whistleblower protections which affords certain protections against reprisal, harassment or demotion for making the report.



## **17. BREACH OF THIS POLICY**

A breach of this policy may result in serious consequences for Silex. A breach of this policy may be regarded as serious misconduct, leading to disciplinary action, which may include termination. Breach of this policy may also expose an individual to criminal and civil liability and could result in imprisonment or the imposition of a significant financial penalty.

## **18. RELATED POLICIES**

This Policy should be read in conjunction with the following policies:

- Code of Conduct
- Conflict of Interest Policy
- Board Charter
- Entertainment Policy
- Procurement Policy
- Whistleblower Policy

## **19. REVIEW**

The Board shall regularly review the contents of, and compliance with, this Policy at least every two years, to ensure it meets best practice standards, complies with all applicable laws, governance principles and meets the requirements of Silex and the Board.