

## **ANTI BRIBERY AND CORRUPTION POLICY**

### **1. SCOPE**

This policy applies to IEC and the principles of this policy will be implemented across all IEC group companies and any joint ventures under IEC's operational control.

### **2. PRINCIPLES**

IEC has a well-established reputation for conducting business in an ethical and honest way. IEC strives to participate as a strong competitor in our global market and is committed to doing so without the use of bribery or other corrupt practices to obtain an advantage.

Bribery is a criminal offence and any corrupt act exposes IEC and its employees to the risk of prosecution, fines and imprisonment.

IEC will apply a "zero tolerance" approach to acts of bribery and corruption by any employees, agents, contractors or third-party representatives. Local management will have the primary responsibility for implementing this policy within their areas of responsibility.

Any breach of this policy will be regarded as a serious matter by IEC and will result in disciplinary action up to and including termination of employment or contract.

### **3. LOCAL CONDITIONS**

This policy must be read in conjunction with, and is subject to, the laws relating to employment and the responsibilities, if any, of employers and employees in the many local environments in which IEC operates.

### **4. POLICY**

#### **4.1 What are Bribery and Corruption?**

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action that is illegal, unethical or a breach of trust. Bribes can take on many different shapes and forms, but typically there will be a "*quid pro quo*" – meaning that both parties, or a party's designate, will benefit. A bribe could be:

- The direct or indirect promise, offering, or authorization, 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,

designed to exert improper influence.

Acts of bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duty. For the purposes of this policy, whether the target of the act of bribery works in the public or private sector is irrelevant. Corruption is the misuse of office or power or influence for private gain.

#### **4.2 Who may be guilty of Bribery and Corruption?**

In the eyes of the law, bribery and corruption can be committed by:

- An employee, officer or director;
- Any person acting on behalf of another (ie a third party representative) or
- Organizations which authorize, 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. For the purposes of this policy, a "government official" could be:

- A public official, whether foreign or domestic;
- A political candidate or party official;
- A representative of a government-owned/majority-controlled organization or a representative carrying out public services; or
- An employee of a public international organization (eg World Bank).

#### **4.3 Bribery and Corruption Laws and Enforcement**

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

There is legislation in many countries, including Australia (the Criminal Code Act), the USA (the Foreign Corrupt Practices Act and Anti-Kickback Statute) and the UK (the Bribery Act), that prohibit bribery and corruption and are strictly enforced by their respective enforcement authorities. Acts of bribery committed overseas may well result in a prosecution at home and in other jurisdictions.

#### **4.4 Bribery and Corruption Prevention**

##### **A. Risk Assessment**

Local Management, together with the COO and the CFO, must assess the vulnerability of each business unit to bribery and corruption risks. Where bribery

and corruption risks are identified they should be managed in line with IEC's risk management framework.

**B. Accurate Books and Record Keeping**

Local Management, together with the COO and the CFO, must ensure that books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each and all underlying transactions.

**C. Effective Monitoring and Control**

Local Management, together with the COO and the CFO, must take the necessary steps to maintain an effective system of internal control and monitoring to prevent bribery and corruption. This must include education and training of employees.

Local management must provide a sign off to IEC's CFO as part of an annual management representation process that the business unit that they are responsible for has assessed the vulnerability of its operations to bribery and corruption risks, that appropriate controls and monitoring have been put in place to prevent bribery and corruption and that there have to the best of their knowledge been no instances of bribery or corruption that have not otherwise been reported to senior management or the board.

**4.5 Key Risk Areas for Bribery and Corruption**

**A. Gifts, Entertainment and Hospitality**

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they:

- fall within the reasonable bounds of value and occurrence as defined by IEC policies;
- do not influence or are not perceived to influence, objective business judgement; and
- are not prohibited or limited by applicable laws or applicable industry codes.

IEC employees must not accept or entertainment where to do so might influence, or be perceived to influence, objective business judgment.

As a general rule, IEC employees should not provide gifts to, or receive them from, government officials. With the prior approval of the CFO, rare exceptions may be

permitted where a gift is an important local/cultural custom, and any such gift is permitted under applicable law and is of nominal value.

***How to evaluate what is “acceptable”***

Firstly, each IEC employee must take a step back and ask the following when giving or receiving any gift, entertainment or hospitality:

- what is the intent – is it to build a relationship or is it something else?
- how would this look if these details were made public?
- what if the situation were reversed – would there be a double standard?

If the IEC employee finds it difficult to answer these questions, there is a risk involved that the gift, entertainment or hospitality could be, or could appear to be, improper and could potentially damage IEC’s reputation and business. The action could well be unlawful.

Although no two situations are the same, the following guidance should be considered globally:

***Never acceptable***

Circumstances which are never permissible include examples that involve:

- a “*quid pro quo*” (a benefit or advantage offered for something in return);
- gifts in the form of cash/cash equivalent vouchers;
- entertainment of a sexual nature or similarly inappropriate nature; or
- making false, incomplete or inaccurate entries into IEC’s books and records.

***Sometimes acceptable***

Activities that may be acceptable depending on the particular jurisdiction and the particular person IEC does business with include:

- modest/occasional meals;
- occasional attendance at ordinary sports, theatre and other cultural events;
- or
- gifts of nominal value or small/low value promotional items

**B Facilitation Payments**

A facilitation payment is a small payment made to a government official to secure or expedite the performance of a routine or necessary action (for eg. The issue of a licence or permit) to which the payer of the facilitation payment is entitled.

Under Australian legislation, a facilitation payment is a form of bribery, however, currently, the Commonwealth Criminal Code Act of 1995 provides that a facilitation

payment defence can be accepted if the value of the benefit is of a minor nature; if it is paid to a foreign official for the sole or predominant purpose of expediting a routine government action; and if it is documented as soon as possible.

As a general rule, it is IEC's policy that facilitation payments must not be made. However, in the event that a facilitation payment is deemed necessary, the payment must be clearly and accurately recorded. Each record of particular payments must contain all of the following information:

- i) the value of the benefit concerned;
- ii) the date on which the conduct occurred;
- iii) the identity of the foreign public official in relation to whom the conduct occurred and the identity of the "other person" for whom the benefit was ultimately intended, if different;
- iv) particulars of the routine government action that was sought to be expedited or secured by the conduct; and
- v) the person's signature or some other means of identifying the person's identity.

It is important that the documentation of the payment must satisfy the reporting requirements set out within the Criminal Code to be accepted as a facilitation payment. Local Management, together with the COO and the CFO, must ensure that books, records and overall financial reporting must be transparent and that adequate forms of control and accountability are in place.

#### **C. Political Donations, Charitable Donation and Sponsorships**

Neither IEC nor any IEC employee may make any direct or indirect contribution to any political party, organization or individual engaged in politics as a way of obtaining an improper advantage in IEC's business. IEC must ensure that any charitable contribution or sponsorship is not being used as a subterfuge for bribery.

All political donations, charitable donations and sponsorships must be made in accordance with applicable local laws and regulations and in accordance with IEC's authorisations and delegations frameworks.

#### **D. How to Raise a Concern**

All IEC employees have a responsibility to help, detect, prevent and report instances not only of bribery and corruption, but also of any other suspicious activity or wrongdoing in connection with IEC's business. IEC is absolutely committed to ensuring that all IEC employees have a safe, reliable and confidential way of reporting any suspicious activity.

IEC has established and will continue to maintain multiple channels that facilitate the reporting of any suspected incidence of bribery or corruption.



An IEC employee may report the issue/concern to their Head of Business or to the Group Legal Counsel in the first instance. If for some reason it is not possible to do so, then the issue/concern should be reported to the CFO or an IEC Director.

In the event that an event of bribery, corruption or wrongdoing is reported, IEC will act as soon as possible to evaluate the situation. IEC has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. In addition to any internal procedures, this includes the referral to appropriate government enforcement agencies. Any questions about these procedures should be directed to the CFO.