

PACIFIC CURRENT GROUP

**PAC Group Limited
ACN 006 708 792**

Anti-Bribery and Corruption Policy

1 Purpose of this policy

The purpose of this policy is to protect the integrity of Pacific Current Group Limited's reputation and to set out the position of Pacific Current Group Limited and its controlled entities (**PAC**) on bribery and corruption and the responsibilities of all individuals working for or with PAC in observing and upholding PAC's commitment to conducting business in an ethical and honest way and with the highest level of integrity. This policy also provides information and guidance on how to recognise and deal with bribery and corruption issues. This policy should be read in conjunction with the PAC's Code of Conduct which details PAC's values and the behaviours expected of all Staff (as defined below).

2 Who does this policy apply to?

This policy applies to all directors and employees of PAC, as well as contractors, agents and consultants of PAC whose terms of engagement apply this policy to them (**Staff**) and any third party who conducts business activities on PAC's behalf or distributes PAC's products including suppliers, distributors, resellers, and consultants (**Third Party Representatives**).

Note: United States Employees

While this Policy applies to all PAC employees, it has specific application to PAC's Australian employees. PAC's United States (**US**) employees are separately governed by US laws (US Code of Ethics and FINRA rules) which are more restrictive in various areas. For all US employees, where any inconsistency exists between this Policy and US law, the requirements of US law prevail.

3 Principles

PAC conducts business in an ethical and honest way and PAC is committed to instilling a strong anti-corruption and anti-bribery culture. It is the aim of PAC to maintain the highest level of integrity in all interactions with third parties.

PAC strives to participate as a strong competitor in its global market and is committed to doing so without the use of bribery or other corrupt practices.

PAC applies a zero-tolerance approach to acts of bribery and corruption by Staff and Third Party Representatives. Any breach of this policy will be regarded as a serious matter and will result in disciplinary action which may include termination of employment or other contract as applicable.

4 Local conditions

This policy must be read in conjunction with, and is subject to, laws relating to employment and the responsibilities, if any, of employers and employees in the various jurisdictions in which PAC operates. Local management will have the primary responsibility for implementing this policy within their areas of responsibility.

5 What is bribery and corruption?

What are bribery and corruption?

Bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

Bribes can take on many different shapes and forms, but typically there will be a “*quid pro quo*” – meaning that both parties, or a person connected to one of the parties, will benefit. Acts of bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duty. A bribe could be any of the following designed to exert improper influence:

- the direct or indirect promise, offering, or authorisation, 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.

Corruption is the misuse or abuse of power, influence or position for private gain.

Who may be guilty of bribery and corruption?

Bribery and corruption can be committed by:

- an employee, officer or director; or
- any person acting on behalf of another (i.e. a Third Party Representative); or
- organisations which authorise, 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 organisation (e.g. United Nations, International Monetary Fund).

Bribery and corruption laws and enforcement

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

PAC recognises the Bribery and Corruption Legislation¹ in the various countries in which it operates that prohibit bribery and corruption. PAC recognises that breaches of the law are enforced with vigour by enforcement authorities in each jurisdiction. Acts of bribery and corruption committed overseas may well result in a prosecution in that country and in other jurisdictions (for example, an individual’s home nation).

Gifts, entertainment and hospitality

For the purposes of this policy, gifts, entertainment and hospitality mean payments (even those of potentially nominal value) or gestures provided to third parties of PAC or received by Staff in the course of conducting PAC business.

Provided the activity complies with all legislative requirements, this policy allows reasonable and appropriate gifts, entertainment and hospitality (more detail below) for the purposes of:

- establishing or maintaining good business relationships;
- improving or maintaining PAC’s image or reputation; or

¹ Including without limitation the *Criminal Code Act 1995* in Australia and the *Foreign Corrupt Practices Act 1977* and the *Anti-Kickback Statute 1972* in the United States.

- marketing or presenting PAC's products and/or services effectively.

Evaluating what is acceptable

In determining what constitutes an acceptable gift, entertainment or hospitality activity, Staff should consider:

- the intention or purpose – why is the gift, entertainment or hospitality activity occurring? Is it to influence a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, which may be acceptable in certain circumstances, or in explicit or implicit exchange for favours or benefits, which is not acceptable in any circumstances?
- the appearance of the activity – how would it look if the activity were reported in the media, or if the situation were reversed? While potential media reaction can be often unpredictable and not reflective of the appropriateness of the matter, it can provide additional context when considering intention or purpose.

PAC appreciates that practice varies among countries and jurisdictions and what may be normal and acceptable in one jurisdiction may not be in another. Regardless of the country or region in question, any gifts, entertainment or hospitality must always be reasonable, appropriate and for a proper purpose. The intention should always be considered closely. When in doubt, Staff should always consult with their line manager or PAC's Chief Compliance Officer (**CCO**).

Staff are advised to always be mindful of the purpose of any payment. In addition to complying with the PAC's Travel Policy, Staff should consider whether any amount requested by a third party for a gift, entertainment or hospitality purposes is proportionate to the goods or services provided, and obtain a receipt which details the reason for the payment. Suspicions, concerns or queries regarding a payment or this policy should be first raised with an individual's line manager, and then raised with PAC's CCO if doubt remains.

When may gifts, entertainment and hospitality be acceptable?

A gift, entertainment, or hospitality activity conducted by Staff may be acceptable if it:

- is made for the right reasons – is should be clearly given as an act of appreciation or common courtesy associated with standard business practice
- is of a modest value – taking into account local laws, codes, customs, culture and otherwise in accordance with PAC's internal policies;
- is given in PAC's name, not in the Staff member's name;
- does not include cash or a cash equivalent (such as gift certificates or vouchers);
- is appropriate in the circumstances, taking account of the reason for the gift, its timing and value;
- is given openly, not secretly; and
- complies with applicable laws, including local law.

Examples of generally acceptable gifts, entertainment or hospitality activities include:

- promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners; and
- modest/occasional meals as part of an ordinary business process.

Staff must declare all gifts and benefits, valued at \$100 or more to the CCO within 5 business days. Staff are also expected to decline (or avoid accepting) gifts and benefits which are valued at \$400 or more, with the exceptions being:

- work related conferences;
- invitations to speak at a professional association (including flights and accommodation); and
- working lunches.

When are gifts, entertainment and hospitality unacceptable?

An unacceptable gift, entertainment or hospitality activity conducted by PAC Staff is one:

- made in the expectation or known possibility that either party will provide a benefit or advantage in return (“quid pro quo”);
- made during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- including cash or cash equivalents;
- offering entertainment of a sexual or similarly inappropriate nature;
- being unduly lavish, inappropriate or extravagant under the circumstances;
- involving government officials or representatives, or politicians or political parties, without the prior approval of the Chief Compliance Officer and / or Managing Director; or
- being otherwise in breach of this policy.

An example of an unacceptable gift is a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay, not all of which is business related).

If the person PAC does business with is a financial services professional or government official there are often local laws and applicable industry codes that may impose additional restrictions and those restrictions must always be adhered to. Staff must ensure that any benefit of any value proposed to be provided to (or received from) a financial services professional or government official is first discussed with their line manager and written approval obtained from PAC’s CCO before proceeding.

6 Facilitation payments and kickbacks

Facilitation payments, also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example, by a government official). They are not commonly sought in Australia but are sometimes sought in other jurisdictions in which PAC operates or may operate in the future. Facilitation payments are prohibited in many jurisdictions.

“Kickbacks” are typically payments made in return for a business favour or advantage. It is PAC’s policy that Staff, Third Party Representatives and the Company’s appointed agents must:

- not make, nor accept, facilitation payments or "kickbacks" of any kind; and
- avoid any activity that might lead to a facilitation payment or kickback being made or accepted (or any activity that might suggest that such a payment will be made or accepted).

7 Donations

Neither PAC nor any member of Staff may make contributions to political parties in PAC’s name or intended to obtain an improper advantage for PAC. Charitable donations must not be made unless they are legal, ethical, in accordance with local laws and practices and have the prior approval of the Managing Director .

8 Third party representatives

All Staff are responsible for the evaluation of each potential third party relationship and assessing any potential risk arising from the relationship before entering into a contractual relationship with the third party. In doing so, Staff must:

- evaluate the background, experience and reputation of the third party;
- understand the services to be provided by the third party to PAC, and the methods of compensation and payment to ensure so far as possible that they are for legitimate business purposes;
- evaluate the business rationale for engaging the third party;
- take reasonable steps to monitor the transactions of the third party; and
- ensure any agreement in place between PAC and the third party incorporates all relevant PAC policies including this policy.

9 Reporting breaches of this policy

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all individuals working for PAC or under PAC's control. Staff are required to avoid any activity that might lead to, or suggest, a breach of this policy.

The Company expects all members of Staff to report promptly and in good faith any actual or suspected violation of this policy (including self-reporting) and to encourage other members of Staff to do the same.

When making a report of suspected or known violations of this policy, Staff should follow the procedures set out in PAC's Whistleblower Policy.

10 Protection

Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. PAC aims to encourage openness and will support any individual who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

PAC is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. If any member of Staff believes they have suffered any such treatment, they should inform a Protected Disclosure Officer. Staff should refer to PAC's Whistleblower Policy for information on how to make a Protected Disclosure to a Protected Disclosure Officer in relation to suspected or known misconduct.

11 Record-keeping

PAC must keep financial records and apply appropriate internal controls to ensure that all underlying transactions are accurately and promptly recorded.

Staff must submit all expense claims relating to gifts, entertainment or hospitality, or payments to third parties in accordance with PAC's Travel and Business Expense Reimbursement Policy and record the reason for expenditure.

12 Compliance

A copy of this policy will be provided to all PAC Staff upon adoption and to new employees on commencement of employment. It is also available on the Company's website.

The Board's Audit and Risk Committee is responsible for monitoring and reporting to the Board on compliance with this policy. Whistleblowing report monitoring is to be presented to the Audit and Risk Committee.

13 Review

This Policy will be reviewed periodically (and at least every 2 years) by the Audit and Risk Committee to check that it is operating effectively and will be updated as necessary. Any amendments to this Policy must be approved by the Board.

Approved 12 October 2020