



# **Anti-Bribery and Anti-Corruption Policy**

**July 2021**

## **1. Purpose**

This policy outlines EOS and employees' responsibilities in observing and upholding EOS position on bribery and corruption. It ensures that all of EOS' dealings with Third Parties and Public Officials are carried out according to our core values and in compliance with all applicable laws and regulations.

## **2. Scope**

This policy applies to:

- The Directors of Electro Optic Systems Holdings Limited ACN 092 708 364 (the Company);
- All employees and officers of the Company worldwide and its controlled legal entities that form the EOS Group; and
- Any representative, agent, contractor, consultant, supplier or other third party related to the Group.

## **3. Related Legislation**

EOS is committed to doing business with integrity. It is the policy of EOS to comply with all applicable anti-corruption and anti-bribery laws including but not limited to:

- Criminal Code Act 1995 (Cth);
- Crimes Act 1900 (Cth);
- Corporations Act 2001 (Cth);
- Foreign Corrupt Practices Act (FCPA) (USA); and
- Bribery Act 2010 (UKBA).

## **4. Roles and Responsibilities**

The roles and responsibilities are as follows:

- The Board of Directors has ultimate responsibility for ensuring that EOS meets its obligations under applicable Anti-Corruption and Anti-Bribery Laws;
- EOS Management are responsible for enforcing compliance with this Policy and ensuring that employees responsible to them are aware of this Policy and the need for compliance.
- EOS Management also have specific obligations with regard to implementing the due diligence and oversight of relevant Third Parties.
- The Chief Operating Officer is responsible for implementing monitoring systems of internal controls, record keeping procedures and reporting to the Board Audit & Risk Committee.
- The Chief Compliance Officer (CCO) is responsible for administering the EOS compliance program globally.
- The Internal Audit Department is responsible for reviewing the adequacy of controls established to ensure compliance with policies and procedures.

## **5. Definitions**

For the purposes of this policy, the term "public official" is defined as:

- Any officer or employee of any government entity, department or agency;

- Any member of the legislatures;
- Any member of the judiciary, the magistracy or tribunals;
- Any employee of a state or government-owned business, school, hospital or other entity;
- Any political party or official thereof;
- Any candidate for political office;
- A public international organisation or any department or agency thereof; and
- Any person acting in an official capacity on behalf of a government entity.

Employees of state-owned or state-controlled commercial enterprises are considered public officials under applicable Anti-Corruption Laws and this policy.

## **6. Prohibition on Bribery**

It is an offence under the Criminal Code to dishonestly provide or offer to someone (directly or indirectly) a benefit with the intention of influencing a public official in the exercise of their duties, or where the receipt of the benefit would tend to influence a public official in exercising their duties. The prohibition on bribery applies to the giving of anything of value, not only money. This includes but is not limited to providing business opportunities, favourable contracts, stock options, gifts and entertainment.

## **7. Third Party Due Diligence**

Applicable Corruption Laws prohibit corrupt payments made directly by Company employees or indirectly through a third party such as a consultant acting for or on behalf of EOS.

It is unlawful to make a payment of anything of value to any person, knowing that all or any portion of the payment will be offered, given or promised to a public official or any other person for a corrupt purpose. The term “knowing” includes conscious disregard, deliberate ignorance, and wilful blindness.

EOS will conduct appropriate due diligence and will exercise care in selecting such third parties by employing only reputable entities and will pay only reasonable compensation for the services provided. EOS will require third parties who represent EOS to conduct themselves in a manner consistent with this policy.

## **8. Gratuities**

It may be permissible to provide modest gifts or a meal or other entertainment to a public official. When deciding whether a gift is appropriate, employees also must take into account any past, pending or future business or administrative matters that are within the recipient’s realm of influence. The timing and context surrounding such gift or entertainment must be considered in order to assess whether any particular gift or entertainment could be perceived to be a bribe.

Generally, gifts, meals and entertainment are permissible, provided that:

- Hospitality offered on behalf of EOS must be directly related to Company business, i.e., the marketing or sale of its services.
- Hospitality in all cases must be reasonable in amount, must be offered in good faith only in connection with the promotion, demonstration or explanation of Company services or the execution or performance of a contract with a foreign government or agency thereof, and must be lawful under applicable local law.

- There is no expectation that the gift, meal or entertainment is given in exchange for any return favour or business advantage from the public official (quid pro quo);
- The gift, meal or entertainment is infrequent, reasonable, and proportionate in amount under the circumstances; and
- The gift, meal or entertainment is lawful under applicable Corruption Laws.

Promotional items or items displaying EOS logo that are distributed for advertising or commemorative purposes, or gifts of nominal value on customary holidays are permitted.

Where EOS is responsible for airfares and/or lodging expenses of a public official, itineraries and any other supporting documentation shall be maintained. In no case will payment or reimbursement be made directly to the government official incurring the expense; such payment or reimbursement shall only be made directly to the service provider or foreign government or agency involved.

## **9. Mergers & Acquisitions**

EOS will not enter into any relationship with a third party who will have substantive interaction with government officials on behalf of EOS without due diligence into the third party's background, qualifications and reputation. Any concerns raised during this due diligence review must be addressed to the satisfaction of EOS prior to entering the relationship.

## **10. Risk Scenarios and Red Flags**

In evaluating potential third parties and during any relationship with them, employees must be conscious of any "red flags" that may be present or arise. A "red flag" is a fact or circumstance that serves as a warning signal that a third party may act corruptly.

Any employee that observes a red flag must refer the matter to the CCO or General Counsel. A non-exclusive list of examples of red flags is listed in Section 18.

## **11. Recordkeeping and Reporting Requirements**

EOS must keep financial records and have appropriate internal controls in place, which will evidence the business reason for making Payments to Third Parties. No accounts must be kept "off-book" to facilitate or conceal improper or unauthorised Payments.

## **12. Training**

EOS will conduct periodic anti-corruption training for all directors and officers, and, where appropriate, employees, agents and business partners. Failure to participate in such training may be cause for disciplinary action, up to and including termination of employment or termination of a third party's contract.

## **13. Breaches**

Any director, officer or employee who suspects a violation of this policy must immediately report such suspected violation in accordance with the reporting procedures addressed in the Code of Business Conduct and Ethics under "Reporting Violations and Investigations."

A violation of anti-corruption laws can lead to severe civil and criminal penalties and is cause for disciplinary action (up to and including termination of employment). It is vital that employees not only understand and appreciate the importance of these policies and procedures and comply with them.

All employees and third parties should remain vigilant in watching for, avoiding, and reporting to the Legal Department any questionable transactions that may violate this policy.

It is essential EOS employees comply with all applicable corruption laws, including the federal, state and local laws of each country in which EOS operates.

## **14. Potential Red Flag Scenarios**

The following is a list of possible red flags that may arise which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

- A Third Party requests an unexpected additional fee or commission to "facilitate" a service.
- A Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with EOS, or carrying out a government function or process for EOS.
- 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.
- You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided. A request for unusually high compensation or other fee may indicate that part of the commission payment or fee will or may be used for improper Payments.
- You become aware that a Third Party engages in, or has been accused of engaging in, improper business practices in the Third Party's home country.
- A Third Party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or the provision of services.
- You learn that 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 a foreign government or foreign Government Officials.
- 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 EOS.
- A Government Official recommends that EOS hires a specific person or company to act as a contractor, supplier or partner. The official may be seeking a direct or indirect benefit through kickbacks received from a favoured contractor.
- A Third Party requests that Payment is made to a country or geographic location different from where the Third Party resides or conducts business or to an unusual bank account or in a name not usually known to you or EOS.
- A Third Party requests that a Payment is made to "overlook" potential legal violations.
- A Third Party requests that you provide employment or some other advantage to a friend or relative.
- Unusual tendering processes.
- A Third Party refuses to certify that it will not take any action in furtherance of an improper Payment or business practice. All Third Parties that do business with EOS should be prepared to give this standard commercial assurance or certification if required.
- A Third Party refuses or fails to provide a proper explanation for expenses incurred on behalf of EOS or refuses to have or abide by proper financial controls set out in an agreement which can be independently audited.

- A contractor or agent requests that his or her agreement be kept secret from his or her employer/principal or that his or her identity not be disclosed to a Third Party.
- A contractor or agent insists on having sole control of any foreign government approvals or dealing with a foreign government or any department, agency or instrumentality of a foreign government.
- Due Diligence on principals of a Third Party company uncovers unusually close links to, or some degree of ownership by, a Government Official or a disreputable political party.
- Lack of transparency in expenses and accounting records.
- Payment to a politician's family or associate.