

Anti-Bribery and Corruption Policy

Level: Company Secretariat
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Approved by: Company Secretary

1.0 DEFINITIONS

1.1 In this Anti-Bribery and Corruption Policy:

Agent means a person who is authorised to act for or represent Downer in dealing with a third party.

Board means the Board of Directors of Downer.

CEO means the Chief Executive Officer and Managing Director of Downer.

Company or **Downer** means Downer EDI Limited ACN 003 872 848, its subsidiary companies, operating divisions, business units and joint ventures (where relevant).

Contractor means an individual, company or business that carries out work or performs services for Downer under a contract and includes subcontractors.

Director means any person who is appointed to the Board and includes alternate directors.

Public official means any person who is elected or appointed to any public office.

Supplier means an individual, company or business that provides materials, equipment or services.

Third party means a person who is not a party to a contract but may become involved in an indirect way or be affected.

2.0 INTRODUCTION

2.1 Who does this Policy apply to?

This policy applies to the Company, Directors, employees and Contractors in all jurisdictions in which Downer operates.

2.2 What conduct does the policy apply to?

Corruption takes many forms. This policy is particularly concerned with:

- The bribery of public officials;
- The making of facilitation payments, in some circumstances; and
- Gifts and hospitality, including through third parties engaged by us.

2.3 What is your commitment to comply?

Downer is committed to compliance with the law in all jurisdictions in which we operate, as well as maintaining its reputation for ethical practice.

Not all situations can be directly addressed within a policy. You should also bring your reason, propriety and judgment to contexts addressed in this policy.

3.0 WHERE CAN YOU GET SOME GUIDANCE IF YOU ARE UNCLEAR?

3.1 Gifts and Benefits Policy

If you are unsure whether accepting a gift or benefit offered or given by an external party is appropriate, please follow the procedures set out in our **Gifts and Benefits Policy (a copy of which is available on the Downer intranet and website)**.

3.2 Business Integrity Policy

If you wish to raise any concern confidentially about conduct which may be unethical, unlawful or against Downer's values, please follow the procedures set out in our **Business Integrity Policy (a copy of which is on the Downer intranet and website)**.

3.3 What happens if you contravene the Policy?

Depending on the nature and severity of a contravention, the following consequences may flow from a breach of the letter or spirit of this policy:

- a) A sanction letter may be placed on the person's personal record relevant to his or her performance appraisal;
- b) A person may be suspended or dismissed from employment; or
- c) The circumstances may be referred to relevant authorities.

4.0 BRIBERY AND CORRUPTION

4.1 Downer prohibits bribery and corruption in all its business dealings, whether directly or via any third party.

What is Bribery?

Bribery means making a payment, directly or indirectly, of any value to a person deliberately to distort a decision-making process, to influence that person's decision, to secure an improper commercial advantage, or to enter into a dishonest arrangement.

What is Corruption?

Corruption is the abuse of a position of employment or trust to gain an advantage in contravention of duty and the law.

Most countries have laws that prohibit bribery and corruption domestically. Australia, the United Kingdom and the United States, among others¹, also have laws that prohibit bribery even when it is committed in another country. In Australia, these prohibitions apply to businesses incorporated in Australia and to individuals who are Australian citizens or residents, wherever they may be.

A breach of these laws is a serious offence, which can result in imprisonment and substantial fines to both the individual involved and Downer. Any perception of a breach of these laws is also likely to have a seriously negative reputational impact on Downer and our people.

5.0 FACILITATION PAYMENT

5.1 The laws in Australia and the US contain an exception to their bribery/corruption regulations to allow the making of facilitation payments. This exception, however, does not exist in the UK. Therefore, if you are a UK citizen or Downer is working on an operation in the UK, you must avoid making a facilitation payment.²

What is a Facilitation Payment?

Facilitation payments are a small payment to a government agency to fast track or secure the performance of an action that is ordinarily and commonly performed.

As a general rule, and in accordance with Downer's Code of Conduct, Downer's people are prohibited from the making of facilitation payments. They are also prohibited from getting someone else, including agents or business acquaintances, to make a facilitation payment on Downer's behalf or on behalf of any of our people.

Notwithstanding this general prohibition on facilitation payments, in limited circumstances, where:

- there is no reasonable alternative but to make a facilitation payment; **and**
 - the making of that facilitation payment will not contravene any law,
- then, it is possible to seek approval for the making of that facilitation payment.

In order to obtain approval to make a facilitation payment, you must comply with the following Notification and Approval Process:

- endeavour to avoid having to make the payment;
- check whether the UK (or any other) prohibition is applicable (if it is, the payment must not be made);

¹ Where Downer commences operations in a foreign jurisdiction other than the UK and US, it will need to determine its exposure under applicable domestic laws.

² However, the UK Trade & Investment Commission has said in relation to facilitation payments: 'Blanket exceptions are always liable to misuse and we do not think it is appropriate to make an exception to facilitation payments. However, we do not envisage any circumstances in which the making of a small facilitation payment, extorted by a foreign official in countries where this is normal practice, would of itself give rise to a prosecution in the UK.'

- seek and obtain written authority from the Company Secretary to make the payment by first providing the following information:
 - the amount to be paid;
 - the date on which the payment is to be made;
 - the exceptional circumstances that apply;
 - the identity of the foreign person or party to whom or on whose behalf payment is to be made; and
 - details of the routine government action or approval that the payment will expedite or secure.

This policy does not contemplate there being any exceptional circumstances warranting the making of facilitation payments in developed countries where Downer operates, such as Australia, New Zealand, the United Kingdom or the USA.

This policy will be the subject of periodic reviews and will be updated and amended as required to ensure its ongoing suitability, adequacy and effectiveness. Accordingly, you should always refer to the policy before making any decisions in relation to facilitation payments in the event that the policy has changed since you last read it.

6.0 THIRD PARTY

- 6.1** Third parties retained to act on behalf of Downer must be chosen carefully and engaged appropriately, as any improper conduct by a third party could damage Downer's reputation and expose Downer and its individual Directors, employees and Contractors to criminal or civil legal liability or other sanctions.

Before entering into any relationship with a third party, appropriate enquiries must be made in selecting and engaging a third party. The necessary enquiries will vary depending on the nature of the proposed relationship, but will typically determine, among other things, whether:

- the third party is reputable, competent and qualified to perform the work for which they are being hired;
- the compensation the third party requests is reasonable;
- the proposed arrangement complies with all applicable legal requirements; and
- there is any conflict of interest that means engaging the third party would be inappropriate.

You must report any breaches of this policy or any behaviour that is inconsistent with this policy by third parties to your direct manager, who will determine what action may be necessary.

Practical Tips

Always

- ✓ Conduct appropriate due diligence in selecting and engaging third parties to act on Downer's behalf, to ensure that any arrangement with a third party or agent has a real and demonstrable commercial basis;
- ✓ Communicate Downer's anti-bribery requirement to all third parties, including suppliers and agents, during the bid tender and selection process and then pursuant to a formal contract;

- ✓ Ensure that third party activities, including agents, are monitored and audited over the life of the engagement;
- ✓ Establish procedures that enable arrangement with third parties to be promptly terminated in the event of improper or ineffective performance in accordance with applicable laws;
- ✓ Make sure you fully understand applicable legal requirements, the recipient's own rules and our approach to offering or accepting gifts and hospitality;
- ✓ Ensure that all expenditure is accurately recorded in accordance with Downer's policies; and
- ✓ Immediately report to your direct manager any improper request for payment, any indication of facilitation payments or any concern you may have regarding the legitimacy of a payment in cash or in-kind that Downer is asked to make or is intending to make.

Never

- ✗ Offer anything of value (including gifts and favours) to a government official or other person to obtain an actual or perceived improper advantage;
- ✗ Allow secret commissions, 'kick-backs' or similar corrupt payments to be made either directly or indirectly through third parties such as agents;
- ✗ Make a facilitation payment to any person (in cash or in-kind) for a service for which Downer is not normally entitled unless you feel that you have no alternative, in which case, you must follow the Notification and Approval Process outlined above;
- ✗ Do anything to encourage or facilitate someone else, including an agent or representative of Downer to make an improper payment; and
- ✗ Use or continue to use a third party if you are aware of, or suspect, improper behaviour. Any issues must be completely investigated and documented before proceeding further with the business arrangement.

Question

- ! Demands for facilitation payments to expedite a routine administrative action;
- ! A commission requested by a third party that is disproportionate to the services provided;
- ! Any request to make a payment that appears suspicious or is to be made to a person or other entity not related to the transaction, including but not limited to a charity or foundation; and
- ! Background information about existing or potential third-party representatives that suggest they may be undertaking activities that could be considered improper.

7.0 WORKING WITH GOVERNMENTS

7.1 Downer respects and cooperates with government agencies and authorities wherever we conduct business.

Downer's ability to conduct business is directly affected by government decision-making, and it seeks to have open and positive relationships with governments and their agencies, officials and personnel.

Employees and others must forward all communications and requests for information received from government agencies and authorities to the Company Secretary as soon as they receive them, who will then ensure that all information is accurate and appropriate for the purpose. Errors or omissions may damage Downer's reputation and credibility and could be illegal.

Employees and others who make representation on behalf of Downer on government matters must comply with all applicable laws and regulations relating to corporate participation in public affairs.

Practical Tips

Always

- ✓ Be truthful, accurate, cooperative and courteous when dealing with government or regulatory agency officials;
- ✓ Notify and seek advice from the Company Secretary if you receive a non-routine request from a government or regulatory agency official;
- ✓ Be aware that it may take longer to do business in countries where government officials or others may not be paid as well or as promptly as their counterparts elsewhere;
- ✓ Be aware of and stand firm against possible corruption; and
- ✓ If it is proposed to offer any gift or hospitality to a government official, ensure you first secure written approval from your direct manager and keep accurate and detailed records of all gifts and hospitality offered to and accepted by government officials.

Never

- ✗ Offer anything of value to a government official to influence his or her decision-making or to obtain an actual or perceived improper advantage;
- ✗ Attempt to obstruct the lawful collection of information, data, testimony or records by appropriately authorised government or regulatory officials or hinder the lawful and proper provision of such information by another employee; and
- ✗ Take action against anyone who lawfully and properly cooperates with government or regulatory agencies.

Question

- ! Requests for gifts or hospitality or to reimburse costs when dealing with government officials, so as to protect Downer against allegations of improper behaviour; and
- ! Negotiating for the employment of a government official or government official's family members while the official has the ability to influence decision-making about Downer.

8.0 GIFTS AND HOSPITALITY

8.1 Offering or accepting gifts and hospitality is a legitimate contribution to building good business relationships. Gifts and hospitality, however, should never be used to unduly influence business decision-making or cause others to perceive an undue influence.

If you are unsure whether accepting a gift or benefit offered or given by an external party is appropriate, please follow the procedures set out in our **Gifts and Benefits Policy**.

9.0 POLITICAL CONTRIBUTIONS AND ACTIVITIES

9.1 Downer does not make political contributions in cash or in-kind to any political party, politician, elected official or candidate for public office in any country and does not participate directly in the activities of political parties, **without prior approval of the Chairman**.

Downer's people may participate in political events or activities provided that:

- a) such participation is on a personal basis only; and
- b) the activities are not being carried out on behalf of Downer.

Practical Tips

Always

- ✓ Make it clear that you are speaking on your own behalf and not on behalf of Downer when you engage in personal political activity.

Never

- ✗ Make a cash or an in-kind contribution or incur expenditure using a Downer account to any political campaign, political party, political candidate, elected official or any of their affiliated organizations, without prior approval of the Board;
- ✗ Use charitable donations as a substitute for a political payment; and
- ✗ Use your position in Downer to try to influence any other person to make political contributions or provide support to any political parties or politicians.