

Dropsuite Limited

Anti-Corruption policy

Disclaimer

This Anti-Corruption Program applies only to confidential materials/communication. Legal professional advice should be taken to ensure that necessary amendments are made to these Agreements to provide for the requirements of the relevant parties and to reflect the law and circumstances in the relevant jurisdiction. The authors accept no responsibility for the consequences of any action taken in reliance on these Agreements.

INTRODUCTION

Dropsuite Limited ("**the Company**") (A.C.N. 008 021 118) is committed to responsible corporate governance, including ensuring that appropriate processes are in place to promote the compliance with anti-bribery and corruption laws in countries where the Company operates.

Accordingly, the Board has endorsed this Anti-Bribery and Corruption Policy Program to support its governance framework. References in this Policy Program to the Company include its subsidiaries.

PURPOSE OF ANTI-BRIBERY AND CORRUPTION POLICY PROGRAM

The purpose of this Policy is to:

- (a) outline the Company's position on bribery and other corrupt behaviour;
- (b) outline responsibilities of the Company directors, officers, employees, consultants, contractors (the Company personnel) in observing and upholding our position on bribery and corruption;
- (c) promote the use of legitimate business practices in presenting the Company's position on issues to government authorities and in the marketplace; and
- (d) provide information and guidance on how to recognise and deal with instances of bribery and corruption.

SCOPE

This Anti-Bribery and Corruption Policy Program applies to all the Company's personnel, any parties acting as representatives or agents of the Company, and others who may provide services on the Company's behalf ("the Company Group Representatives").

This Anti-Bribery and Corruption Policy Program applies to the Company's majority-owned operations in which it or its subsidiaries operate. Where the Company has a minority interest, it requires to comply with the minimum requirements outlined in this Anti-Bribery and Corruption Policy Program; recognising that the manner in which these requirements are met by its business partners may vary.

SOURCES OF LEGAL OBLIGATIONS

The sources of legal obligations behind Anti-Bribery and Corruption Policy Programs are derived by laws of countries which operate under the United Nations Anti-Corruptions Convention and the OECD Convention on the Combating Bribery of Foreign Public Officials in International Business Transactions, and include:

- (a) Any anti-corruption law of a country which applies to the Company, its business partners or third parties operating on its behalf, and
- (b) Covered by the Criminal Code Act 1995 (Cth), Criminal Code Amendment (Bribery of Foreign Officials Act 1999 (Cth) and Corporations Act 2001 (Cth) (Australia).

SECTION 70 OF THE CRIMINAL CODE, 1995 (CTH.)

Section 70 of the Criminal Code outlines the consequences of "bribing a foreign public official". Any person or company who commits the offence when in Australia can be prosecuted in Australia, and any Australian citizen, resident or company incorporated in Australia who commits the offence, whether or not the offence is committed in Australia, can also be prosecuted in Australia.

Bribing, or attempting to bribe, a foreign public official is a serious crime. The maximum penalty for an individual is 10 years' imprisonment, receiving a criminal record and/or a fine of \$1.7 million.

Fines for companies are up to \$17 million, or three times the value of benefits obtained, or 10 Per cent of annual turnover whichever the greater. Ignorance of the law is no defence. It is not possible to argue that individuals or companies did not realise the conduct constituted bribery. Therefore, individuals or companies must be aware of the types of activities that are legal and illegal when interacting with foreign officials. The offence applies regardless of the outcome or result of the bribe or the alleged necessity of the payment.

The offence of bribing a foreign public official is contained in section 70.2 of the Criminal Code Act 1995 (Cth). It has a number of elements which can be divided into steps. All of the elements must be present for the offence to apply.

A person is guilty of an offence if:

- (a) the person provides, offers to provide or promises to provide a benefit to another person, or causes a benefit to be provided or causes an offer of the provision of a benefit or a promise of the provision of a benefit to be made to another person; and
- (b) the benefit is not legitimately due to the other person; and
- (c) step (a) was carried out with the intention of influencing a foreign public official (who may or may not be the other person) in the exercise of the official's duties as a foreign public official in order to obtain or retain business or obtain or retain a business advantage which is not legitimately due.

1. WHEN DOES, THE OFFENCE APPLY?

The offence applies where the conduct constituting the offence occurs wholly or partly in Australia, or wholly or partly on board an Australian aircraft or an Australian ship. The offence also applies to conduct committed wholly outside Australia in three situations. This is where, at the time of the alleged offence, the person who is alleged to have committed it is:

1. an Australian Citizen;
2. a resident of Australia; or
3. a body corporate incorporated by or under a law of the Commonwealth or of a State or Territory.

The offence applies regardless of the outcome or result of the bribe or the alleged necessity of the payment.

2. ARE ANY DEFENCES AVAILABLE?

There are two defences to the offence:

1. The advantage was permitted or required by the written laws that govern the foreign public official. This applies where a written law governing the foreign public official expressly permits or requires the benefit to be paid. Subsection 70.3(1) of the Criminal Code (Appendix A) lists the laws that govern different public officials.
2. The payment is a facilitation payment (Appendix B). This provision applies where a payment is a facilitation payment made to expedite or secure the performance of a routine government action of a minor nature and the payment is of a minor value. In order to satisfy the defence, a company or individual who makes a facilitation payment must make record of that payment. The record-keeping requirements are set out in subsection 70.4(3) of the Criminal Code (Appendix C).

3. POLICY COMPLIANCE AND REPORTING

The Company does not tolerate any form of bribery or corruption. Bribery and corruption involve the misuse of position and influence, seeking improper advantage, undermining integrity and fairness of the marketplace. We aim to comply with all applicable anti-bribery and corruption laws in countries where we operate.

The Company and the Company's Group Representatives:

- (a) understands and complies with this Anti-Bribery and Corruption Policy Program;
- (b) report instances where improper payments (including facilitation payments) are requested as soon as possible after the requests is made to the compliance officer;
- (c) be alert for warning signs of corrupt conduct and, if in good faith, considers if the conduct is or may be a breach of this Anti-Bribery and Corruption Policy Program and must immediately report or seek guidance about any suspected or actual violation of this Anti-Bribery and Corruption Policy Program. Reporting may be through management, compliance officer or to the relevant legal counsel, or through the whistle-blower policy included in this Anti- Bribery and Corruption Policy Program or authority, depending on what is most comfortable or appropriate in the circumstances to the individual(s);
- (d) reward individuals for actively seeking to comply with and enforce this Anti- Bribery and Corruption Policy Program, including those who refuse to engage in bribery or other corrupt conduct;
- (e) conduct appropriate due diligence into potential counterparties, agents, joint venturers and other business partners and ensure that this Anti-Bribery and Corruption Policy Program or that their own anti-bribery and corruption policies are consistent with this Anti-Bribery and Corruption Policy Program and are being followed in accordance with section 10; and
- (f) use appropriate contractual requirements in agreements with third parties to ensure that the Company has adequate protections (including, for example, warranties and guarantees) and rights (including, for example, notifications, indemnification, audit, and termination) in accordance with section 10; and
- (g) discipline individuals who violate the Policy in accordance with section 15.

If any the Company Group Representatives is unsure whether a particular act constitutes bribery, a facilitation payment, a secret commission or money laundering, or has any other queries, they should ask their immediate manager.

DEFINITIONS

Corruption means dishonest activity involving the abuse of position and/or trust to get an advantage or gain not legitimately due (whether a personal advantage or an advantage for the Company).

Bribery means the offering, promising, giving or accepting or soliciting of anything of value (including a financial or other advantage) to improperly influence actions. Improper influence involves the intent to induce an action which is illegal, unethical or a breach of trust (a misuse of someone's position).

Bribery can often be difficult to identify, and it is important to remember that:

- Bribery can take many forms, is often disguised and may be difficult to trace or detect. Some examples of common types of bribes, and things often used to hide bribes, include:
 - Money (or cash equivalent such as shares, gift cards, etc);
 - Discounts;
 - Unreasonable or extravagant gifts, entertainment or hospitality (including free or discounted upgrades, free or heavily discounted flights, accommodation or other product);
 - Benefits and 'perks' to relatives, including employment, education, training etc;
 - Inflated or false invoices (or enhanced fees/commissions)
 - Unwarranted allowances or expenses;
 - Kickbacks;
 - "Facilitation payments" also known as "grease payments" (see below);
 - Political/charitable contributions;
 - Information;
 - Anything else of value; or
 - Another advantage not legitimately due (whether financial or not).
- Bribery may be direct, or it may be indirect, for example, involving an intermediary or agent of the person giving or accepting the bribe.
- Bribes do not need to involve large sums of money and in fact, a bribe can occur even if no money is exchanged at all.
- The offence of bribery can occur even if the bribe is 'unsuccessful' (eg, the conduct sought to be induced does not occur).

Company Group Representatives means and applies to all the Company personnel, any parties acting as representatives or agents of the Company, and others who may provide services on the Company's behalf.

Extortion means an improper demand for payment from an employee or representative;

- The Company and or the Company Group Representatives must not offer, promise, accept, receive or request – or engage another party to offer, promise, accept, receive or request anything of value (cash, shares, loan, gift, hospitality, personal/family/social/sporting/cultural favour or other financial or non-financial advantage) for the purpose of inducing or rewarding a discretionary favourable action or the exercise of influence, regardless of the country, public or private sector or person concerned. The payment or receipt of secret or undisclosed commissions is strictly prohibited.
- The Company and or the Company Group Representatives must not consent to, or connive in, aid or abet, counsel or procure the commission of any of the conduct outlined in this Anti- Bribery and Corruption Policy Program.

- The Company also condemns improper demands for payments from the Company Group Representatives, referred to in many parts of the world as "extortion". A payment can be made where a member of the Company Group Representatives reasonably believes that his/her or another's life or health is at risk unless a demand for payment is met, provided the Company Group Representatives immediately reports the incident to the 'Managers' and the Company.
- Where an improper demand for payment has been made under an immediate threat to life or health, or confinement or serious destruction of company property, the managers of the Company should be contacted immediately.
- If any of the Company Group Representatives is unsure whether an individual is a Government Official, please contact your immediate manager.

Facilitation payment is a small payment or other inducement provided to a government official in order to secure or expedite a routine function that the official is ordinarily obliged to perform already (such as the grant of a license or customs approval).

Government Official is relatively broad and extends beyond the common understanding of the term and includes:

- Any official or employee of a government (whether national, state/provincial or local) or agency, department or instrumentality of any government;
- Any official or employee of any public international organisation (for example, the UN, the World Bank, etc)
- Any person acting in an official function or capacity for such government, agency, instrumentality, entity or organisation;
- Any person who holds or performs the duties of any appointment created by custom or convention or who otherwise acts in an official capacity (including some indigenous or tribal leaders who are authorised and empowered to act on behalf of the relevant group of indigenous peoples and members of royal families);
- Any political party, party official or candidate for political office;
- Any person who holds themselves out to be an authorised intermediary of a Government official.

Secret commission is an undisclosed payment (or something of value) that is offered or provided to a representative of a person for the purpose of influencing that person in the conduct of their business.

GIFTS, DISCOUNTS AND HOSPITALITY

Exchange of gifts, discounts or hospitality (including customer travel and accommodation) made in the ordinary course may compromise – or appear to compromise – the exercise of objective business judgment. These may also give rise to the conflict between the personal interests of the Company Group Representatives and the interest of the Company. The Company Group Representatives must be cautious when offering or receiving gifts and hospitality, discounts and only do so when these are:

- (a) Token, seasonal or due to a special occasion or local custom, and in line with the accepted business or pending business transaction or regulatory approval; and
- (b) Not seen to impair independent business judgment, particularly in connection with an anticipated or pending business transaction or regulatory approval; and
- (c) Be consistent with this Anti-Bribery and Corruption Policy Program.

In some jurisdictions, there are strict restrictions on exchanging gifts and hospitality with government officials and the reimbursement government officials' expenses. When dealing with government stakeholders, the Company Group Representatives must comply with the Company's regional guidelines on gifts and hospitality to ensure compliance with local law.

When dealing with private or publicly-listed business partners, the Company Group Representatives must not accept or offer gifts and hospitality valued at over \$250 on any one

occasion. Multiple exchanges of gifts and hospitality under this threshold with the same person should be avoided. When in doubt, the Company Group Representatives must consult with the Company's Manager who has absolute discretion to approve hospitality or gifts over this threshold if appropriate and permissible by law. Such gifts and hospitality are recorded in a gifts and hospitality exemptions register.

Where the Company subsidiary company's rules in relation to gifts and hospitality are more restrictive due to the jurisdiction in which it operates, then affected the Company Group Representatives must comply with the rules of the subsidiary.

INTERMEDIARIES, AGENTS, BUSINESS PARTNERS AND OTHER THIRD PARTIES

In situations where a third party/intermediary is engaged for example, to:

- Represent the Company's interest, for example, to current and potential private or government business partners (such as agent, customs clearing agent or a lobbyist) (an intermediary);
- Conduct work on behalf of the Company (a contractor); or
- Work with the Company on a particular project or matter (such as joint venture or business partner).

The Company Personnel responsible for the engagement must:

- (a) Ensure that the Company undertakes appropriate and documented due diligence regarding the integrity, reputation, credentials and qualifications of the third party;
- (b) Ensure that the fees payable to the third party are reasonable for the services being rendered. Ad valorem or percentage-based fees may not be agreed without prior approval of the Manager the Company;
- (c) Ensure that the Company's position with respect to anti-bribery and corruption as set out in this Anti-Bribery and Corruption Policy Program is communicated to the third party.
- (d) Ensure that the third party either agrees in writing to comply with this Anti-Bribery and Corruption Policy Program, or has similar values and similar appropriate anti-bribery and corruption policies of its own. Where such third parties have a policy which substantially meets the principles and requirements set out in this Anti-Bribery and Corruption Policy Program, the Company may accept a commitment by that entity to comply with that entity's own policy in place of requiring a commitment to comply with this Anti-Bribery and Corruption Policy Program;
- (e) Ensure that the agreement with the third party incorporates the Company's standard terms on relations to anti-bribery and corruption, as appropriate based on the risk based assessment of the third party (including clauses relating to matters such as warranty, guarantee, reporting, audit, termination and indemnification); and

- (f) Undertake regular review (as appropriate) of the third party's performance to monitor relevant performance and prevent misconduct.

It is the responsibility of the employee engaging the third party to ensure that these requirements are met. Entities the Company seeks to acquire must also be subject to appropriate and documented anti-bribery and corruption due diligence.

CHARITABLE DONATIONS

The Company supports making charitable donations around the world, without expectation or acceptance of favourable action or the exercise of influence. In limited circumstances, a charitable donation may pose a risk of corruption, for example by being made to an artificial charitable organisation, or ultimately benefiting a third party such as a government official.

To address this risk, charitable donations on behalf of the Company must:

- (a) be made only to approved not-for-profit organisations whose goals reflect the Company's values;
- (b) be approved only by the Manager of the Company;
- (c) be accurately recorded in the business records of the Company;
- (d) not be made to individuals or for-profit organisations;
- (e) not be made in cash or to private accounts; and
- (f) be consistent with this Anti-Bribery and Corruption Policy Program.

SPONSORSHIPS

Sponsorships differ from charitable donation in that, apart from providing a benefit to the organisation, event or activity being sponsored, they are also aimed at obtaining a marketing benefit for the Company. Sponsorships can create problems where they are seen to improperly induce or reward a discretionary favourable action or the exercise of influence.

The Company will not sponsor events or activities that are:

- (a) Inconsistent with the Company's values or this Anti-Bribery and Corruption Policy Program;
- (b) linked to any organisation or individuals that could bring the Company into disrepute.

Authorisation of sponsorship arrangements must only be made within relevant authority limits, and is subject to approval by the Manager of the Company.

MAINTAINING BUSINESS RECORDS

The Company Group Representatives must keep complete and accurate business records, including financial, human resources, payroll and environmental records, and not create false, misleading or artificial entries to conceal improper payments or corrupt activity. All applicable control and approval procedures must be followed.

All expenses relating to gifts and hospitality provided by the Company or the Company Group Representatives must be accurately recorded, with reasonable details, in the business records of the Company in accordance with the relevant the Company policy (if any).

TRAINING AND COMMUNICATIONS

The Company will communicate this Anti-Bribery and Corruption Policy Program to the Company Group Representatives its established communication channels and provide the appropriate level of training.

The Company encourages open communication regarding this Anti-Bribery and Corruption Policy Program and any matters which may arise under it.

As noted in section 5, the Company Group Representatives are required to report any suspected breach of this Anti-Bribery and Corruption Policy Program.

As no Anti-Bribery and Corruption Policy Program such as this can address every possible situation that may arise it may apply, this Anti-Bribery and Corruption Policy Program is intended to serve as a source of guiding principles and to encourage open dialogue and communication.

BREACH OF POLICY

The Company considers any breach of this Anti-Bribery and Corruption Policy Program to be serious misconduct.

Disciplinary action will be taken against anyone who breaches this Anti-Bribery and Corruption Policy Program; the nature of such action will depend on the severity of the breach but may include a reprimand, formal warning, demotion, and/or termination of employment.

If a third party providing services to or the behalf of the Company does not comply with this Anti-Bribery and Corruption Policy Program, the Company will review, and may terminate, the engagement of that third party.

Any breach of this Anti-Bribery and Corruption Policy Program is a serious act which will be investigated and addresses by the Company. Depending on the circumstances, the Company may also refer matters to regulatory and law enforcement agencies.

As noted at the outset of this Anti-Bribery and Corruption Policy Program, bribery and many other forms of corruption are crimes, which can have very serious consequences for the Company and individuals involved in the conduct, including criminal and civil penalties or fines, criminal convictions and imprisonment. Business consequences can also be very serious, and include potential liabilities, loss of business, damage to relationships, exclusion from bids, and others such outcomes.

REVIEW OF THIS ANTI-BRIBERY AND CORRUPTION POLICY PROGRAM

The Managers of the Company are responsible monitoring and applying this Anti-Bribery and Corruption Policy Program and for keeping the policies current.

This Anti-bribery and Corruption Policy program should be reviewed annually by the Remuneration, Nomination, Audit, Risk and Corporate Governance Committee of the Company and findings submitted to the Board of the Company.

Outcomes from audits (including any special audits and/or investigations) will also be taken into account in updating the Anti-Bribery and Corruption Policy program.

The Board is responsible for approving this Anti-Bribery and Corruption Policy Program.

Signature of the Board of Directors of the Company:

Name:
Director

Name:
Director

Name:
Director

