



**QUALITAS**

# Anti-Bribery and Corruption Policy

Qualitas Group



# Anti-Bribery and Corruption Policy

## 1. Policy Application

This anti-bribery and corruption policy (**Policy**) dated 21 November 2021 applies to all directors and employees (including contractors) of Qualitas Limited ACN (655 057 588) and each other entity within the Qualitas group (**Qualitas**) (referred to hereafter collectively as **Qualitas Personnel**) in connection with Qualitas' business. It does not extend to personal matters of Qualitas personnel.

The purpose of the Policy is to protect the assets and reputation of Qualitas by:

- reinforcing the commitment and responsibility of the Directors and the executive management to identify fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention, detection and reporting of these activities;
- reinforcing the requirement for all employees and others to refrain from corrupt and fraudulent conduct, including through defining 'bribery' and 'corruption' and outlining key risk areas of bribery and corruption; and
- assigning responsibility for the development of controls to prevent and detect bribery, corruption and fraud to Directors and senior management.

## 2. Scope

The purpose of this Policy is to reinforce Qualitas' existing practice of prohibiting bribery and corruption, through the identification, prevention and reporting of any concerns relating to bribery and corruption.

This Policy should be read in conjunction with the following Qualitas documents:

- Anti-Bribery and Corruption Staff Guide;
- Code of Conduct;
- Gifts, Hospitality and Gratuities Policy; and
- Breach and Incident Reporting Policy.

The Policy has been approved by the directors of Qualitas Limited ACN (655 057 588), and Qualitas executive management is responsible for its implementation, monitoring ongoing compliance and periodic review.

## 3. What is Bribery and Corruption?

Qualitas considers bribery to be the ***offering, promising, giving, demanding, soliciting or accepting of a benefit or advantage as an inducement in turn for an action which is illegal, unethical or a breach of trust.*** Qualitas considers acts of bribery to be typically designed to influence individuals to act dishonestly in the performance of their duties and obligations to Qualitas and its clients.

Bribery can be committed by any person who is employed or contractually associated with Qualitas, whereby that person acts on behalf of Qualitas (e.g. agents or similar third-party representatives or advisors to Qualitas). Qualitas considers that bribery may involve natural persons as well as incorporeal entities (for example, incorporated entities, associations and similar types of organisations).

Qualitas does not believe that bribery is limited to an exchange of money or obtaining a benefit through the receipt of any financial consideration, but rather could involve:



- Obtaining advantage in a third-party's decision-making process that favours Qualitas or its clients;
- Engaging third-parties to provide services or products on more favourable terms to Qualitas or its clients than what would be reasonably expected in the ordinary course of those third-parties' business;
- Engaging third-parties to obtain an advantage in the conduct of Qualitas' business affairs in a manner that is not customary or available to others;
- Obtaining relief from external stakeholders' controls in a manner that is not customary or available to others; or
- Employing staff who are directly associated with clients or potential clients in a manner that is not customary or available to others.

Qualitas considers corruption to be the *misuse of office or power or influence for some private gain*, noting however that the gain may not be limited to a natural person but could also benefit incorporeal entities (for example, incorporated entities, associations and similar types of organisations).

Qualitas believes that the appearance or perception of activities involving suspected or alleged bribery or corruption may also have serious ramifications on Qualitas and its reputation.

#### 4. Bribery and Corruption and the Law

Whilst Qualitas is an Australian private business that predominantly conducts its operational and investment activities in Australia, it has a number of foreign clients and its financial services and products are offered in a number of foreign jurisdictions. Accordingly, Qualitas personnel should be aware of this and note that various government agencies, legislative bodies and jurisdictions may have their own laws that prohibit bribery and corruption even when committed outside the country.

Australia does not currently have specific bribery legislation – such as the *Bribery Act, 2010* (UK), *Prevention of Corruption Act* (Singapore) or the *Foreign Corrupt Practices Act, 1977* (USA) – however, anti-bribery requirements have been incorporated within legislation such as Australia's *Criminal Code Act 1995* (Cth) (**the Act**), anti-money laundering legislation and other relevant law, as discussed below.

The Act has a 'strict liability' corporate offence of failing to prevent bribery.

Under the Act:

- A commercial organisation is guilty of an offence if an 'associated person' bribes another to obtain or retain business, or an advantage in the conduct of business, for the organisation;
- Bribes paid to a third-party by an associated person will constitute an offence, irrespective of where in the world the bribe was paid; and
- It is irrelevant that the organisation did not participate in or know about the bribe.

This raises real concerns for companies who use agents, contractors or business sponsors in countries where bribery is commonplace or where 'facilitation' payments are considered to be common practice. In the absence of specific guidance under the Act, Qualitas considers such payments to be inappropriate and contrary to legislation and the general corporate regulatory regime in Australia.

Qualitas understands that where it conducts any of its affairs in foreign jurisdictions, that it may be subject to those jurisdictions' specific anti-bribery and anti-corruption legislation, which may give the relevant regulatory bodies powers to prosecute Qualitas or Qualitas personnel for offences which may take place outside of Australia.



## 5. Gifts and Hospitality

Qualitas acknowledges that what may constitute normal practice in relation to receiving or providing gifts and/or hospitality may vary from jurisdiction to jurisdiction and by industry sector.

When planning to conduct Qualitas' affairs outside of Australia, Qualitas personnel should consult with the Director – Group Compliance, early in the planning stage to better understand what may constitute norms in their target jurisdictions or industry sectors and any anticipated risks associated with the provision/receipt of gifts and hospitality in each country.

The Policy should be read in conjunction with Qualitas' separate Gifts and Hospitality Policy.

## 6. Obligations of Qualitas Personnel

Qualitas personnel should not:

- Offer, promise, give, request, agree to receive or accept a bribe;
- Offer or receive gifts or entertainment that could affect, or be perceived to affect, the outcome of business transactions and are not reasonable and justified;
- Make direct or indirect political or similar contributions as a way of obtaining or retaining an advantage for the benefit of Qualitas and its entities or other persons;
- Provide aid or donations or vote as a way of obtaining or retaining an advantage for the benefit of Qualitas and its entities or other persons; and
- Enter into or continue business relationships with for example suppliers, agents, joint venture partner if Qualitas cannot be satisfied that the entity will behave in a manner consistent with this Policy.

Qualitas has a 'zero tolerance' approach towards the engagement in bribery.

Furthermore, Qualitas' Code of Conduct specifically prohibits employees from giving or accepting a bribe, facilitation payment or other benefits.

Qualitas expects its external service providers, advisors, contractors, consultants and any similar provider of goods or services to uphold the same standards.

## 7. Responsibility of Qualitas Executive Management, Directors

Qualitas' directors and executive management support the implementation of appropriate systems and controls to ensure the effective prevention, management and reporting of any acts of bribery and corruption or perceived acts of bribery and corruption. Qualitas expects its directors and executive management to act with the appropriate transparency in this regard.

As a private organisation, Qualitas understands that it can also potentially be found guilty of a bribery offence and held responsible for the illegal acts of Qualitas personnel or its appointed agents.

Qualitas' directors can also be held criminally liable for offences committed by Qualitas personnel or appointed agents, including the failure to ensure that Qualitas has a strong corporate culture of compliance with anti-bribery and anti-corruption laws. Qualitas directors' liability arises from their fiduciary duties to act in good faith and with care and due diligence under both common law and the *Corporations Act 2001* (Cth).



## 8. Key Risk Areas of Bribery and Corruption

Qualitas personnel should be aware of the following key relevant matters in relation to bribery and corruption and the conduct of Qualitas' business affairs:

### (a) Bribing a Foreign Official

It is a criminal offence under Section 70.2 of the Act to bribe a foreign public official, whether in Australia or in another country.

Australians and Australian companies (through the illegal actions of their employees and even agents) can be convicted of bribery either in Australia or overseas. 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, or conduct committed wholly outside Australia, in three situations. These three situations are where, at the time of the alleged offence, the person who is alleged to have committed it is:

- (i) an Australian citizen; or
- (ii) a resident of Australia; or
- (iii) a body corporate incorporated by, or under a law of, the Commonwealth or of a State or Territory.

Foreign public officials include any official or agent of a public international organisation, such as the United Nations or the World Bank.

The intention of the bribe should be to influence a foreign public official in the exercise of their official duties to obtain or retain business or a business advantage that is not legitimately due to that Australian person or Australian company.

Engagement in bribery of foreign government officials can result in significant fines and jail terms for all Australians, Australian directors and Australian companies under Australian laws and other countries. The conviction of bribery may occur wherever the relevant conduct takes place and this may be in Australia or overseas.

### (b) Political or Charitable Donations

Qualitas personnel should exercise caution in providing donations to either political or charitable organisations. For example, a donation to any organisation headed by a federal, state or local government official could potentially be perceived as a cover for bribery.

### (c) Facilitation Payments

Facilitation payments are small payments made to officials to expedite routine government actions. Whilst legitimate payments of minor value maybe permitted under Australian law (for example, pursuant to Section 70.4 of the Act) and other jurisdictions, Qualitas' policy is to prohibit such payments being contemplated, offered or made.

If there is any request or perceived desire for a facilitation payment to be made by Qualitas, Qualitas personnel should immediately notify the Director – Group Compliance for appropriate action.



#### (d) Gifts, Entertainment and Hospitality

There may be situations where Qualitas personnel are either offered or contemplate providing hospitality and occasionally gifts or gratuities to or from clients, suppliers, financial intermediaries and other external parties. Qualitas personnel should not offer, solicit or accept gifts, money, favours or entertainment which might potentially compromise their professional judgement, or be perceived as a form of bribery.

A variety of factors such as local laws, industry codes, culture and currency may influence the level of acceptability of gifts and hospitality. A small gift or token of esteem or gratitude is often an appropriate way for business people to display respect for each other. Some hallmarks of appropriate gift-giving are when the gift is given openly and transparently, properly recorded in the giver's books and records, provided only to reflect esteem or gratitude, and permitted under local law.

In order to assess the appropriateness and reasonableness of either the receipt or provision of gifts, entertainment or hospitality, Qualitas personnel should, at a minimum, assess the items' intent and potential consequences (for Qualitas) should the relevant details be made publicly available. Gifts, entertainment or hospitality should be reasonable and justifiable. When in doubt, Qualitas personnel should consult the Director – Group Compliance with any relevant concerns.

For further details please also refer to the *Qualitas Gifts and Hospitality Policy*.

#### (e) Use of Third-Party Service Providers

Payments made by Qualitas or Qualitas personnel to third-party service providers, which have no reasonable or justifiable commercial or contractual basis, or which exceed contractually-agreed amounts may improperly influence the conduct of Qualitas clients, service providers (including agents and consultants) or other relevant external stakeholders.

Qualitas regularly monitors the conduct of its appointed third-party service providers in accordance with its relevant policies (for example, the Qualitas Outsourced Fund Operation Service Provider Policy). Qualitas personnel should perform the appropriate due diligence to ensure that risks associated with bribery and corruption are not increased as a result of appointing, retaining or terminating a third-party service provider.

Examples of scenarios that could potentially be perceived as occurrences of bribery include, but are not limited to:

- the third-party is a relative or close associate of any Qualitas personnel;
- where there are requests for money to be paid into a personal or third-party's bank account or offshore bank account; or
- third-parties are located in countries of high risk.

### 9. Bribery and Money Laundering

Attempts to bribe any public official can also potentially trigger criminal investigations for money laundering, under Division 400 of the Act. In some circumstances where bribery is found to have occurred, the provider and the recipient will be handling what may be categorised as criminal property and this may result in the individual or entity committing a money laundering offence. As a result, bribery and corruption may trigger reporting obligations to AUSTRAC.



## 10. Reporting

All Qualitas personnel (including contractors) should report any concerns where there is reasonable suspicion about an act of bribery and corruption, directly to their manager or to the Director – Group Compliance.

If the Qualitas personnel themselves are in a situation where he/she faces blackmail or extortion or some form of bribe or corrupt payment is made, this should be reported immediately to either their manager or to the Director – Group Compliance.

The Director – Group Compliance will ensure any reported incident is investigated on a timely basis, in accordance with Qualitas' policies and procedures.

A range of actions may follow from the Director – Group Compliance's investigation. If Qualitas personnel are found to be involved in an act of bribery or corruption then they may be subjected to disciplinary action including in serious cases, termination of their employment or engagement with Qualitas. Additionally, Qualitas may also need to report the relevant information to the Australian Federal Police and AUSTRAC and any other relevant authority if required.

## 11. Record Keeping

Qualitas should ensure that books, records and overall financial reporting is transparent and reflect the transactions of the business, to assist in the assessment of the appropriateness and reasonableness of either the receipt or provision of gifts, entertainment or hospitality.