Anti-bribery and Corruption Policy

Talga Group Policy and Procedure

Version 2.0

1. Purpose

1.1. The reputation of Talga Group Ltd and its subsidiaries, branches or Joint Ventures (TALGA) is built on the trust that customers, business partners, the authorities, the media, the public, shareholders and employees and other stakeholders have in our honest and law-abiding conduct.

1.2. Any form of bribery or corruption in connection with our business activities can have serious consequences. Apart from considerable damage to reputation, serious consequences may include criminal penalties and heavy fines being imposed on TALGA, directors, or its employees who were involved.

1.3. The purpose of this Policy is to:

1.3.1. set out the responsibilities of TALGA and TALGA Personnel; and

1.3.2. provide information and guidance on how to recognise and deal with instances of bribery and corruption

2. Policy Application

2.1. This policy is applicable to TALGA and all TALGA directors, employees and contractors (Talga Personnel)

2.2. Given that TALGA's operations are across several countries, there are numerous laws of those particular countries that will be applicable regarding bribery and corruption (further details are provided in Appendix 2).

2.3. Stricter national or local anti-corruption provisions have priority over the rules in this policy.

2.4. Furthermore, the rules herein are binding if nationally or locally applicable rules provide for less strict anti-bribery or corruption measures and rules of conduct.

3. Policy

3.1. TALGA is obligated to prohibit its directors, employees, and commissioned third parties or representatives from being involved in any form of corruption, to intervene against it, and to take all the necessary measures to be able to prevent corruption in connection with the business activities of TALGA. This not only includes preventing violation of laws, but also preventing actions which could give the impression of corruption to others, even if laws are not violated while carrying out such actions.

3.2. TALGA Personnel must:

(a) understand and comply with this Policy;

(b) not give, offer, accept or request bribes, facilitation payments, secret commissions or other prohibited payments or engage in money laundering or cause any of them to be given, offered, accepted or requested;

(c) not approve any offers or make, accept or request an irregular payment or other thing of value to win business or influence a business decision in favour of the TALGA;

(d) comply with any reporting and approval processes for gifts, entertainment or hospitality;

(e) not offer or receive any gifts, entertainment or hospitality to or from public or government officials or politicians without approval in accordance with this Policy;

(f) obtain required approvals for donations and sponsorships;

(g) maintain accurate records of dealings with third parties; and

(h) be vigilant and report any breaches of or suspicions behaviour related to this Policy.

4. Policy Amendment

4.1. This Policy cannot be amended without approval by the Talga Group Ltd Board.

Application and Implementation of this Policy

1. Bribery and Corruption

1.1. Bribery and corruption are serious offences and include directly or indirectly granting, demanding, soliciting, suggesting, accepting and promising benefits to or from another person with the intention to gain unfair commercial advantages or to influence a decision maker in order to obtain or retain a personal or business advantage which is not legitimately due.

1.2. Examples for undue commercial advantages are:

(a) Advantageous information in case of tender offers;

(b) Contract being awarded despite a higher price or lower quality;

(c) Giving preference to a party despite it having the same conditions as the competitor; or

(d) Giving preferences in supply (conditions, deadlines, quantities).

1.3. Advantageous terms and conditions, e.g. discounts and rebates, that are officially agreed upon with the contract partner and documented are not unfair advantages.

1.4. Bribery may be indirect and the target person may not necessarily receive the advantage directly where advantages go to third parties or associates of a person sought to be influenced. Examples of such advantages include donations made to a sports club, to a charitable organisation, or to a cultural institution based on the ideas of the target person and advantages to or in favour of family members.

1.5. The mere act of offering, promising, suggesting or demanding advantages could be considered Bribery. The benefit can take many forms. It could be monetary or non-monetary and for example involve non-cash gifts, political or charitable contributions, reciprocal favours, employment opportunities or lavish hospitality.

1.6. TALGA Personnel should never offer, promise, give or accept bribes to persuade someone to act in TALGA's favour, their favour or for the benefit of a third party including family or friends.

1.7. Examples of activities that may signal or are indicative of bribery or corruption are provided in Appendix 1.

2. Facilitation Payments

2.1. Facilitation Payments are typically unofficial payments to government officials or others with the intention of receiving favourable treatment or expediting routine government actions.

2.2. TALGA Personnel should never make payments in cash or payments that are unofficial, improper or irregular, directly or indirectly to government or public officials.

2.3. The exception is if a Facilitation Payment is necessary to prevent a perceived or actual immediate danger to you or another individual's personal safety. The payment must be reported as soon as practicable and ideally within 24 hours to your direct line manager and CEO.

3. Gifts, Entertainment and Hospitality

3.1. Gifts, business lunches, and events for informative, representational or entertainment purposes can be a legitimate way to build and foster business relationships. However, TALGA prohibits the offering or acceptance if their purpose is to gain unfair business advantages or on a scale or in a way that would call the professional independence and judgement of the parties involved into question.

3.2. The following financial limits for Gifts, Entertainment and Hospitality apply;

3.2.1. Benefits of low value not requiring approval

It is a small gift

(a) if the value of the gift is €25 or less and specifically for government officials (a person engaged in public duty in a government agency, judicial body or government owned entity) and for all others is €25 or less; and

(b) the person giving the gift cannot reasonably expect that the recipient of the gift will make an improper decision.
(c) Benefits of low value do not require approval nor required to be documented in a Gift Register.

3.2.2. Benefits of medium value subject to approval

Prior approval from the department manager is required for accepting the following benefits:
(a) Benefits, the financial value of which lies between €25 and €100 for government officials or persons in equivalent positions.
(b) Benefits, the financial value of which lies between €25 and €250 in all other cases.
(c) Benefits given to third party recipients, decision makers of business partners or persons close to or important to the government officials,
(d) Invitations, whereby the travel and accommodation costs are paid
(e) Invitations or benefits for representative purposes.
(f) These must be recorded in a Gifts Register

3.2.3. Benefits that are prohibited in principle, approval only in special cases

In principle, the following benefits and invitations are prohibited. In special cases, an approval must be obtained in advance from the CEO or MD for accepting such benefits.
(a) Benefits, the financial value of which exceeds €250 in individual cases.
(b) Extraordinarily luxurious invitations with a selective group of customers without or with very little business background, where even the company is not represented
(c) These must be recorded in a Gifts Register

3.3. Where the offering or acceptance of gifts, entertainment or hospitality is permitted, they may only be offered or accepted where all of the following conditions are met:

(a) it is done for the purpose of general relationship building only;
(b) it cannot reasonably be construed as an attempt to improperly influence the performance of the role or function of the recipient;
(c) it complies with the local law of the jurisdiction in which the expenditure is made;
(d) it is given in an open and transparent manner; and
(e) it does not include cash, loans or cash equivalents (such as gift certificates or vouchers).

3.4. A Gifts Register is available to update via the Talga Group sharepoint. Each employee will be given access to their relevant company Gift Register and is responsible for registering Gifts in accordance with this Policy.

3.5. The following provides some further clarity to help avoid any misunderstandings:

(f) No grounds for concern in case of direct business-related catering service or invitation to meals within reason.
(g) No objections against give-aways under a limit of €10.
(h) It may be a breach of this Policy if gifts entertainment and hospitality are provided/received by a single individual or organisation on multiple occasions
(i) Gifts, entertainment and hospitality should not be taken during or just before concluding contracts or negotiations.
(j) Invitations for representative missions or predominantly or partly for entertainment are allowed only after taking the following criteria into account:

o Checking the usual business practices and appropriateness,

o Representatives of the host are present,

o no repeated attendance,

o travel and lodging expenses should not be covered by the inviting business partner.

(k) Travel and accommodation costs can be paid by the business partner only in the scope of a contractual agreement or if is necessary for promotional purposes or for informative events.

4. Donations (Political & Charitable) and Sponsorships

4.1. The provision for donations and sponsorships should be developed as part of approved annual budgets.

4.2. Charitable donations are voluntary payments (cash or in-kind benefits) for welfare purposes, which TALGA makes without receiving anything in return.

4.3. TALGA may make charitable donations that are ethical and in accordance with relevant in country laws and practices and due care must be taken to ensure the charity or cause is legitimate.

4.4. Charitable donations over €100 must be approved by the MD or CEO.

4.5. Political donations are voluntary payments (cash or in-kind) made to political parties.

4.6. All dealings with politicians and government officers must be conducted at arm's length and with the utmost professionalism to avoid any perception of attempting to gain an advantage.

4.7. TALGA may choose to make donations to political parties because TALGA believes this would enable any such political parties to perform their functions better and to improve the democratic process.

4.8. Any political donations must be authorised by the Talga Group Ltd Board and disclosed as required by in country laws.

4.9. Contributions made to business associations and memberships based on a commercial interest are not considered to be donations.

4.10. Sponsorships are cash or in-kind benefits given by TALGA to promote persons, groups or organisations, with which company-related goals of public relations work are pursued. As opposed to donation, there is a trade-off with sponsorships, i.e. the recipient of the sponsoring activity is obligated to provide a service. The sponsoring services are based on a written contractual agreement (sponsoring agreement), which governs the type and scope of the services of the sponsor and the sponsored party.

4.11. Sponsorships must be approved by the MD or CEO

5. Maintaining Records

It is important to have processes and systems in place to support the prevention corruption.

5.1. All expenditure by TALGA Personnel, including on gifts, entertainment and hospitality, must be included in expense reports and approved in accordance with the relevant expense policy and authorisation limits.

5.2. Internal control systems including clear delegation and separation of responsibilities and procedures adopted to comply with this policy will be the subject of regular internal audits to provide assurance that they are effective in mitigating the risk of non-compliance.

5.3. All accounts and records are to be maintained in accordance with applicable laws including tax.

5.4. All accounts, invoices and other documents and records relating to dealings with third parties (including due diligence reports), must be prepared and maintained with strict accuracy and completeness. No accounts may be kept "off the books" to facilitate or conceal improper payments.

6. Dealings with third parties

6.1. It is important that any TALGA Personnel proposing to engage a third party, implement appropriate controls to ensure that the actions of the third party will not adversely affect or implicate TALGA in corruption. A third party may include actual or potential agents, distributors, suppliers, purchasers, contractors or representatives.

6.2. Where appropriate, contractual arrangements with third parties must either recognise the rules of conduct of this Policy to be binding on themselves or they should have their own similar anti-corruption rules and measures.

6.3. Where appropriate, third parties must provide TALGA monitoring rights, so that the company can monitor implementation and compliance of anti-corruption rules.

6.4. Before engaging third parties TALGA Personnel are to take a risk-based approach in determining key areas of potential corrupt incidents or activities. The following questions will assist in assessing risk:

(a) Is the prospective third party in a position to provide the desired service?
(b) Is the proposed fee, compensation, etc customary and is it within the range typical for the type of service being provided?
(c) Are the registrations, approvals or licences for providing services missing?
(d) Is the head office or the country of activity of the prospective business partner located in a country that has high corruption risk?
(e) Are government officials or persons in equivalent positions likely to be involved in the proposed transactions?
(f) Is the company's management board or the owners or senior executives involved in the prospective business partner?
(g) Was there any negative reporting in the media in last five years about the prospective business partner, his partners or individual employees?
(h) In the last five years, were there any regulatory investigative proceedings, penalties or fines imposed on the prospective business partner or individual employees?
(i) Was the prospective business partner (including the management board, owner or the country of the head office of the company) on a sanctions list, a terrorism list and/or an embargo list?
(j) Does the prospective business partner have an Anti-Bribery and Corruption Policy?
(k) Has the customer suggested and insisted on commissioning a prospective business partner to support the intended transactions?
(l) Do invoices meet tax-related accuracy and transparency requirements?
(m) Are there several addresses or accounts for the payee?
(n) Are there consultants or service providers that the third party explicitly wants to involve?
(o) Is there a lack of complete or comprehensible documentation throughout the contractual relationship?
(p) Do the third party representatives have specific functions and titles?
(q) Do any donations and sponsoring include provision for private benefits for employees of third parties?
(r) Are business relationships and payments made to offshore companies?
(s) Are there corruption allegations with regard to competitors in the same market, product or customer segment?

6.5. Third parties that pose particular risk of breaching anti-bribery laws include countries that are ranked 50 or less in the corruption perception index by Transparency International (Transparency Corruption Perception Index, TCPI). Countries with a ranking of 40 or below are countries with high corruption risks.

6.6. If there is evidence that supports increased potential risk of corruption, then the MD or CEO is responsible for determining high risk third parties that will require specific anti-corruption controls having regard to this policy and the nature and location of the work being undertaken by those third parties.

6.7. Where high risk third parties have been identified, the following specific anti-bribery procedures must be implemented:

(a) communicate the relevant anti-bribery policies to all high risk third parties;
(b) undertake sufficient due diligence to ensure that it is appropriate for the high risk third party to represent the TALGA, and complete a due diligence report;
(c) raise any issues of concern or "red flags" identified in due diligence with the relevant line manager and the MD or CEO in the relevant division/business unit. High risk third parties must not be engaged if issues identified in due diligence cannot be satisfactorily resolved;
(d) ensure that any contractual arrangements with the high risk third party include standard terms approved by the TALGA's legal department concerning anti-bribery and other issues addressed by this policy; and
(e) ensure relevant TALGA Personnel have oversight of the work of the high risk third party.

7. Training

7.1. Whilst the on-boarding process for new employees includes a directive to review and comply with TALGA policies, to the extent applicable to their roles, TALGA Personnel will undertake training on this policy as part of the induction process

7.2. Existing TALGA Personnel are to receive updates on this policy as part of training applicable to their role.

7.3. Training will be provided by the Peoples and Culture Manager or authorised trainer

8. Breaches

8.1. A breach of this policy by TALGA Personnel may be regarded as serious misconduct, leading to disciplinary action.

8.2. This will depend on the circumstances, including whether your breach is deliberate, how serious it is and if you have done it before.

8.3. Disciplinary action could include a warning, dismissal or termination of employment.

8.4. Breach of this policy may also expose an individual to criminal and civil liability and could result in imprisonment or in the imposition of a significant financial penalty.

9. Reporting Breaches and Suspicious Behaviour

9.1. TALGA Personnel must report any breaches of, or suspicious conduct in relation to this policy including behaviour that makes TALGA Personnel and others engaged in activities for TALGA feel threatened or under pressure to engage in improper conduct. Reports should be made to:

9.1.1. the MD or CEO; or

9.1.2. in accordance with the TALGA Whistleblower Policy.

9.2. TALGA encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

9.3. TALGA is committed to ensuring no one suffers detrimental treatment as a result of refusing to take part in conduct that may constitute bribery or corruption or raises a genuine concern in respect of any such conduct.

9.4. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

10. Roles and Responsibilities

Position	Responsibilities
Talga Group Ltd Board (Policy Approver)	-Approving this Policy and any material changes to it.
Chief Financial Officer (Policy Owner)	-Reviewing this Policy at least biennially
MD and CEO	-Ensuring this Policy is implemented across TALGA and provide assurance of this to the Policy Owner. -Making sure this Policy is available to everyone who must follow it and easy to get, and that people are reminded about it when they should be. -Making sure people are properly trained about this Policy and their accountabilities under it. -Monitoring compliance with this Policy.

APPENDIX 1 – Bribery or corruption signals

The following is a non-exhaustive list of potential scenarios indicating when bribery and corruption could arise during the course of conducting business.

If you encounter any of the following, you must report them promptly in accordance with Clause 9.

1. You are aware of a third party that engages in or a reputation for, or has been accused of engaging in, improper business practices including paying bribes
2. A third party insists on receiving a commission or fee payment before committing to sign up to a contract.
3. 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.
4. A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
5. A third party requests an unexpected additional fee or commission to "facilitate" a service.
6. A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
7. You learn that a colleague has been taking out a particular supplier for very expensive and frequent meals.
8. Requests that a payment is made to "overlook" potential legal violations.
9. Requests to provide employment or some other advantage to a friend or relative.
10. You receive an invoice that appears to be non-standard or customised.
11. A party insists on the use of side letters or refuses to put terms agreed in writing.
12. You notice a commission or fee payment that appears large given the service stated to have been provided.
13. A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used or qualified.
14. You are offered an unusually generous gift or offered lavish hospitality.
15. Unnecessary, inappropriate or excessive purchasing.

APPENDIX 2 – Relevant Local Country Laws

1 Worldwide application of anti-corruption laws

It is important to understand that corrupt conduct linked to business activities is now punishable by law almost everywhere in the world, and the penal laws of a country can also be applied to corrupt actions carried out in other countries if

- such actions originate in the relevant country,
- such actions were brought about or supported there,
- citizens of that country were involved or
- corrupt activities carried out abroad violate the interests of that country.

2 German law

Under the German penal code (StGB), these legal provisions specifically include the following: § 299 StGB (bribery and corruption in business), § 299 a StGB (corruption in the healthcare sector), § 331 StGB (acceptance of benefits by an official), § 332 StGB (passively bribing officials), § 333 StGB (granting advantages to officials), § 334 StGB (actively bribing officials), § 108 StGB (bribing members of parliament). In addition, the penal provisions related to § 261 StGB (money laundering) and § 266 StGB (disloyalty) are taken into account. The corporate due diligence obligations for commercial goods distributors in the prevention of money laundering act, the general tax code, and the tax requirements for correct invoices are also observed.

3 UK Bribery Act

The UK Bribery Act of 2010 makes bribery of domestic and foreign officials as well as bribery in business transactions punishable. This act obligates companies to take organisational measures in order to prevent corruption and it provides for penalties against individuals as well as against the responsible companies if organisational obligations are violated.

4 Australian law

There is no specific Anti-bribery Act in Australia. The Criminal Code s 70.2 of the Schedule creates offences for the offering, giving or receipt of a bribe to or by a commonwealth public official where the benefit is intended to influence the public official in the exercise of his or her duties as a public official.
Each State and Territory also has legislation criminalising bribery of both public officials and private individuals. The Commonwealth also criminalises the bribery of Commonwealth public officials under Divisions 141 and 142 of the Criminal Code.

5 Sweden

The Swedish Penal Code contains provisions regarding bribes in Chapter 10 (On embezzlement, other acts of breach of trust and bribery).
There are other laws containing regulations around bribery, such as the Income Tax Act, according to which it is stipulated that a bribe is not deductible.

6 The U.S. Foreign Corrupt Practices Act - international applicability and organisational obligations

The United States Foreign Corrupt Practices Act of 1977 (FCPA) for preventing bribery of officials (public officials) and related parties is of particular importance: With the so-called books and records rules for preventing slush funds, and the requirements for selecting and monitoring consultants and business partners for distribution and sales support, the FCPA stipulates explicit organisational due diligence obligations for company managers in order to prevent corruption. Since the U.S. jurisdiction is not limited to the territory of the USA according to the U.S. interpretation of the law, companies must always be aware that in case of violations against the FCPA, the U.S. authorities will take action before or in addition to the in country law enforcement authorities, if the issue is relevant to business dealings related to the competitive interests of the U.S., if the US dollar is used as the transaction currency, if the deals have taken place with the involvement of U.S. nationals or persons with permanent U.S. residency or if the deals have other connections to the USA e.g. investment holdings of U.S. investors.