

Anti-bribery and Corruption Policy

DEFINITIONS:

For the purpose of this policy, the following definitions apply:

Bribery means the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

In this context, the term “Bribery” applies regardless of whether:

- The offering, promising, giving, accepting or soliciting was done directly, or through intermediaries;
- The bribe was for the benefit of a private or government official including immediate family members, such as spouse, child or household member;
- The Company receives in exchange a business contract or some other form of improper advantage.

Corruption means dishonest activity in which a director, executive, manager, employee, consultant, contractor, business partner, agent or representative of the Company (“**Company Personnel**”) acts contrary to the interests of the Company and abuses his/her position of trust in order to receive some personal gain or advantage for him or herself or for another person or entity.

POLICY:

Petsec is committed to conducting its business and activities with integrity.

Petsec achieves this objective by:

- Not engaging in corrupt business practices;
- Implementing measures to prevent bribery and corruption by Company Personnel;
- Complying with all applicable laws and regulations.

PROHIBITION AGAINST BRIBERY AND CORRUPTION:

Petsec prohibits bribery and corruption by Company Personnel, in any form, whether direct or indirect, whether in the private or public sector, anywhere in the world.

Most countries have laws prohibiting bribery of private individuals and government officials. There are potentially serious consequences, including fines and imprisonment, for contravention of applicable laws. In Australia, these can be up to \$1.7 million for individuals and \$17 million for companies, and up to 10 years’ imprisonment.

To this end:

- Company Personnel must not offer, procure, pay or solicit or accept bribes in any form;
- Company Personnel must not engage in any form of corrupt business practice, whether for the benefit of the Company, themselves or another party;
- Facilitation payments are prohibited;
- Requests for bribes or facilitation payments must be reported to the Petsec Board of Directors.

APPLICABLE LAWS:

The applicable laws in which Company Personnel are required to abide by, include but are not limited to:

- *Criminal Code Act 1995 (Cth);*
- *Foreign Corrupt Practices Act 1977 (US);*
- *Bribery Act 2010 (UK);*
- Any other anti-corruption laws of the Commonwealth of Australia or any State or Territory of Australia (including any applicable common law, law of equity, any written law, statute, regulation or other instrument made under statute or by any government agency);
- Any anti-corruption law of a country other than Australia which applies to Petsec, its business partners or third parties operating on Petsec's behalf.

RULES AND PROCEDURES:

All Company Personnel are required to comply with this policy as part of their employment or engagement contract.

Gifts and entertainment, political contributions, charitable contributions and sponsored travel have the potential to be misused as a cover for bribes or improper payments for the purpose of influencing decisions or obtaining preferential treatment. For this reason, Petsec has adopted certain rules and procedures in relation to these types of payments to ensure openness and transparency, as follows.

Gifts and Entertainment

Gifts

Petsec prohibits the giving and receiving of gifts in connection with Petsec's operations which go beyond common courtesies associated with general commercial practice. This is to ensure that the offer or acceptance of a gift does not create an obligation and cannot be construed or used by others to allege favouritism, discrimination, collusion or similarly unacceptable practices by Petsec.

Any gift or other personal favour or assistance offered, given or received which has a value above A\$100 must be recorded in a "Gift and Entertainment Register" if the gift is accepted. If a gift offered to a Petsec employee is refused it shall only be entered on the Register if the grounds for refusal were concerns that the gift was excessive or likely to (or be perceived as likely to) improperly obtain/retain a business advantage.

Entertainment

Petsec permits the entertaining of external business stakeholders where there is a justifiable business purpose for such expenses to be incurred on behalf of Petsec. Valid entertainment expenses may include meals and events such as theatre, sporting events and other cultural events. The business purpose may be related to fostering the business relationship or be ancillary to a business discussion that takes place during, immediately before or immediately after the event.

Any entertainment, given or received, which has a value above A\$100 must be recorded in the "Gift and Entertainment Register", except that:

- entertainment offered to a Petsec employee that is refused shall only be required to be entered into the Register if the refusal was due to concerns that the entertainment

was excessive or likely to (or be perceived as likely to) improperly obtain/retain a business advantage; and

- business meals that are for the purpose of discussing Petsec related business and which are not outside what is a common business courtesy (having regard to the seniority of the attendees and jurisdiction in which the meal occurs) do not require entry into the Register.

Company Personnel must not accept invitations where the costs exceed the level of accepted common business courtesies, taking into account the location in which the entertaining takes place and what would be appropriate for their role and responsibilities within the organisation. This is particularly the case if such invitations involve activities over consecutive days, overnight accommodation or travel unless management determines that there are compelling reasons for them to attend and, in such circumstances, Petsec will meet any travel, accommodation and related expenses unless determined otherwise by the Executive Chairman or Managing Director of Petsec (“MD”).

Offering entertainment to external business stakeholders must be consistent with the approach set out above.

The Gift and Entertainment Register will be reviewed by the Company Secretary twice a year and where there are any gifts or entertainment items registered by an employee that appear to go beyond the scope of common courtesies associated with general commercial practice, the manager to which that employee reports will be notified and be required to review the appropriateness of the gift or entertainment and if found to be not appropriate, implement appropriate actions.

Dealing with Government Officials

Gifts and entertainment

Petsec requires the exercise of a high degree of caution in relation to the offering, giving or receiving of gifts or entertainment to or from government officials.

The provision of gifts or entertainment to a government official may be a legitimate and justifiable business activity in some circumstances; however, the practice has the potential to create the perception that Petsec has sought to improperly influence the government official to achieve an improper advantage or obtain preferential treatment.

The offer, promise, giving or receiving of any gift, entertainment or other personal favour or assistance to or from a government official that is over A\$100 in value or which might, regardless of value, be perceived as likely to improperly obtain/retain a business advantage, must be referred to the Executive Chairman or MD (or their delegate) in advance for approval. Once approved by the Executive Chairman or MD, the gift or entertainment must be recorded in the “Gift and Entertainment Register”, whether accepted or declined.

Political donations

Petsec does not make political donations to any political party, politician or candidate for public office in any country unless the donation has been approved in advance by the Board.

Attendance at political functions

Petsec permits attendance at political functions where there is a legitimate business reason.

Attendance at these functions must be approved by the Executive Chairman or MD. A record of attendance (and the cost of attendance) is maintained by Petsec.

Political lobbying

Petsec permits political lobbying on policy matters which relate to Petsec's business and activities. This activity may only be done by employees authorised to do so by the Executive Chairman or MD and must be done in a manner which is consistent with Petsec's values and this policy.

Sponsored travel

Petsec prohibits the payment of travel and travel related expenses for government officials (unless such payment has been approved by the Executive Chairman or MD).

The Executive Chairman or MD may grant exceptions to the general prohibition provided:

- the payment is for reasonable and bona fide expenditure properly incurred in relation to travel or travel related activity; and
- the travel is directly related to the promotion, demonstration or explanation of Petsec's business and activities or directly related to the performance of a contract with a government or government owned organisation.

The Executive Chairman or MD is required to report any exceptions to the Board.

This prohibition does not apply to travel undertaken by a government official or employee to a Petsec facility in connection with the execution or performance of their regulatory functions (where, for health and safety reasons, Petsec organises and facilitates travel arrangements to such facility).

Dealing with Local Agents and Representatives

It may, in certain circumstances, be necessary to engage a local agent or representative to represent Petsec's interest.

Petsec remains responsible for the acts of its local agent or representatives and, therefore, any local agents or representatives must be chosen with care following the process set out below:

- the agent's or representative's reputation and qualifications must be thoroughly checked;
- the agent or representative must be made aware of, and agree in writing to comply with, Petsec's Code of Ethics and Corporate Conduct and this policy;
- the fees payable to the agent or representative must be reasonable for the services being rendered and not provide incentives to act improperly. Ad valorem or percentage-based fees may not be agreed to or paid without the prior approval of the MD;
- the appointment of the agent or representative must be documented in a written agreement which must contain suitable anti-bribery and corruption clauses, performance monitoring and audit rights to ensure compliance and termination rights for failure to comply with the applicable laws.

The appointment of a local agent or representative must be approved in advance by the Executive Chairman or MD (following satisfactory completion of the process set out above).

RESPONSIBILITY:

It is the responsibility of all Company Personnel to be aware of this Anti-bribery and Corruption Policy.

Any irregularity relating to actual and potential cases of bribery and corruption, as defined in the scope of this document, must be reported immediately to the Company Secretary, who will record the details within the conflicts of interest register and report to the Petsec Board.

Employees should not attempt to personally conduct investigations or interviews related to any suspected act of bribery and corruption related to Petsec or its affiliates.

Any investigative activity required will be conducted without regard to the individual's length of service, position/title, or relationship to Petsec.

Any individual who is under investigation for suspected or discovered acts of bribery and corruption may be suspended, pending the outcome of the investigation.

RECORD KEEPING:

An accurate and auditable accounting record of all gifts, entertainment and payments to government officials, employees and others must be maintained in accordance with generally accepted accounting principles. No entry should be made in Petsec's records that distorts or disguises the true nature of any transaction.

REPORTING VIOLATIONS:

Company Personnel must immediately report any suspected or actual violation of this policy. The report may be made to the Petsec Board or via the Petsec Ethic's Line in accordance with Petsec's Code of Ethics and Corporate Conduct Policy.

WHISTLE-BLOWER PROTECTION:

The Company treats all information received confidentially, and whistle-blowers will not suffer any form of retaliation, reprisal or detriment from the Company for raising a concern or reporting in good faith a violation of this policy (nor will they suffer any form of reprisal from the Company for refusing to make a corrupt payment).

CONSEQUENCES:

Any breach of this policy is a serious matter which will be investigated and addressed by Petsec.

Disciplinary action will be taken against anyone who breaches this policy. The form of disciplinary action will depend on the severity of the breach but may include:

- Reprimands;
- Formal warnings;
- Termination of contracts of employment

Matters may also, depending on the circumstances, be referred to law enforcement agencies.