

MEMORANDUM FOR: Sequoia's Board
FROM: Te Okeroa
DATE: 17th June 2021
SUBJECT: Anti Bribery and Corruption Policy
FOR YOUR: Approval

Purpose:

Last year ASX released the fourth edition of their Corporate Governance Council's Principles and Recommendations; principles listed companies are required to report against in their Corporate Governance Statement (CGS). Moreover, ASX outlined that a listed company should

- (a) Have and disclose an Anti-Bribery and Corruption Policy; and
- (b) Ensure that the Board or a committee of the Board is informed of any material breaches of the policy.

As such, an Anti-Bribery and Corruption Policy has now been developed (see attached) with the objective of being included in Sequoia's CGS for this Financial Year.

Recommendations:

It is recommended that Sequoia's Board approve the adoption of the attached Anti-Bribery and Corruption Policy.

Key features of the Policy:

The key features of this Policy include (but are not limited to):

- Definitions of Bribery and Corruption.
- Explanations of the types of Bribery and Corruption.
- Dollar thresholds for accepting and declining gifts and benefits.
- Guidelines regarding the approval process for gifts and benefits.
- Responsibilities of those covered by the Policy.

Process:

The author has reviewed the policies of other Participants and ASX. The proposed Policy has been peer reviewed by key stakeholders and their feedback has been incorporated into the attached version.

Next steps:

Subject to the Boards approval, the Policy will be rolled out and operationalized across Sequoia and its subsidiaries.

SEQ Financial Group

Anti-Bribery and Corruption Policy

1. Introduction

Sequoia Financial Group (“SEQ”) is committed to maintaining high standards of trust, integrity, and good corporate governance.

This Anti-Bribery and Corruption Policy (“Policy”) forms part of SEQ’s risk management framework. Bribery and corruption can have a significant, adverse impact on SEQ’s reputation for integrity. SEQ is committed to operating within the laws of any jurisdiction in which SEQ does business and moreover to operate in a way that is consistent with its values. This policy is a key control to manage this risk.

The actual or attempted use of any form of bribery or corruption either directly or indirectly on SEQ’s behalf to advance its business interests or those of its associates is strictly prohibited.

Failure to comply with the requirements in this or any associated policy may result in disciplinary action, up to and including termination of employment or other contractual arrangements.

Under this Policy you must:

- Not give or accept gifts and/or benefits that will compromise, or appear to compromise, your integrity and objectivity in performing your duties.
- Not give or accept gifts and/or benefits that cause, or appear to cause a conflict of interest.
- Record gifts or benefits worth \$100 or more in the Gifts and Entertainment Register. Managers need to action (approve, decline or return) any gifts and benefits reported to them within 5 working days of receiving the disclosure from the employee.
- Record in the Gifts and Entertainment Register where a gift or benefit provided on behalf of SEQ is in excess of \$100.
- Decline gifts and/or benefits worth \$300 or more (unless an exception applies).

2. Who must comply with this Policy?

This Policy applies to anyone who is employed by or works at SEQ, including employees (whether permanent, fixed term or temporary), contractors, consultants, secondees and directors.

3. What is Bribery and Corruption?

3.1 What is Bribery and Corruption?

For the purposes of this policy:

- A “bribe” is anything of value given, offered, promised, accepted, requested or authorised (in each case, directly or indirectly) with the intent that a person who is trusted or expected to act in good faith or with impartiality, performs that function improperly or in order to obtain or retain an advantage in the course of business.
- “Anything of value” includes cash, gifts, hospitality, expenses, reciprocal favours, business or employment opportunities, political or charitable contributions and a range of other direct or indirect benefits.
- “Corruption” is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

Acts of bribery or corruption involve the undue influence of an individual in the performance of their duty, whether in the public or private sector.

Indirect benefits can be bribes: SEQ staff must be alert to the possibility that a benefit given or offered to an associate, such as a relative or business partner, or channelled through an agent or other intermediary, may be a bribe. Recklessness or "wilful blindness" to such incidences is likely to be in contravention of applicable laws and/or regulations and will amount to a breach of this policy.

3.2 Facilitation payments

Facilitation payments are payments made directly to a government official or employee for their personal benefit, to expedite or secure the performance of governmental action by a governmental agency (e.g., to facilitate the expedition of applications, minor licences).

3.3 Other conduct

Other behaviour which could constitute bribery and corruption includes political contributions, sponsorship, offsetting arrangements and “revolving doors” arrangements, where such behaviour seeks to improperly influence an individual or organisation.

4. Types of Bribery and Corruption

4.1 Political and Commercial Corruption

There are two types of corruption: political corruption and commercial (or corporate) corruption.

- Political corruption: Is the dysfunction of a political system or institution in which government officials, political officials or employees seek illegitimate personal gain through actions such as bribery, extortion, cronyism, patronage and embezzlement.
- Commercial corruption: Occurs when bribes are requested by, or offered to agencies, institutions or individuals to win a contract or gain some other commercial benefit or advantage.

Acts of bribery or corruption commonly, but not always, involve public or government officials, their associates or anyone who is entrusted with power and/or information. Throughout SEQ’s business dealings, opportunities for the act of bribery or corruption will

usually present itself in one of two forms: when dealing with third parties; or when providing or receiving gifts and/or entertainment.

4.2 Dealing with and through Third Parties

Where third parties are engaged to perform services for or on behalf of SEQ, their behaviour and actions are likely to reflect on SEQ, and in some cases, SEQ will be potentially liable for the acts of those third parties. Third parties performing services on or behalf of SEQ must not give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly.

For the purposes of this policy, third parties include intermediaries, agents, representatives, officials, external consultants (political or otherwise), brokers (introducing or otherwise), distributors, vendors, suppliers, contractors, or any other third party acting for or on behalf of, or providing services to SEQ. It is important that any business engaging a third party to act for, or on behalf of SEQ, takes appropriate steps to ensure their actions and behaviour will not reflect poorly on or expose SEQ to potential criminal or other regulatory liability. Amongst other things, this means that sufficient due diligence must be undertaken on third parties to ensure that they are suitable to be associated with SEQ, and that appropriate controls are implemented, designed to prevent and detect bribery and corruption.

For example, particular care must be taken with respect to arrangements with consultants, agents or third parties, who assist in securing business, arrange introductions to key business and government decision-makers to ensure the third parties engaged will not bribe or perform a corrupt act on SEQ's behalf or for which SEQ may be responsible or otherwise liable under anti-bribery or anti-corruption legislation.

4.3 Gifts and Hospitality

Employees must declare all gifts and benefits, valued at \$100 or more, in the Gifts and Entertainment Register. Employees are also expected to decline (or avoid accepting) gifts and benefits which are valued at \$300 or more (such as jewellery and rare wines) with the exceptions being:

- Work related conferences.
- Invitations to speak at a professional association (including flights and accommodation)
- Working lunches or dinners.

4.3.1 Approval process for gifts and benefits

- Employees should, where possible, discuss with their manager the fact that they have been offered a gift benefit before accepting it, in order to determine the appropriate action.
- Employees are required to enter any gift/benefit in the Gifts and Entertainment Register within 5 working days of receiving or being offered the gift / benefit.
- Managers need to action (approve, decline or return) any gifts and benefits reported to them within 5 working days of receiving the disclosure from the employee. Noting that gifts/benefits should not be accepted on a re-occurring basis or broken down into parts of less than \$100.

4.3.2 Acceptable gift and entertainment expenditure

Gifts and genuine hospitality and entertainment expenditure that is reasonable and proportionate is allowable provided it complies with the following:

- Made for the right reason – it should be clearly given as an act of appreciation or common courtesy associated with standard business practice.
- No obligation – it does not place the recipient under any obligation.
- No expectation – expectations are not created by the giver or an associate of the giver or have a higher importance attached to it by the giver than the recipient would place on such a transaction.
- Made openly – if made secretly and undocumented then the purpose will be open to question.
- Reasonable value – its size is small and in accordance with general business practice.
- Appropriate – its nature is appropriate to the relationship.
- At “arm’s length” – all transactions/gifts should be at an “arm’s length” basis with no special favours and no special arrangements.
- legal – it complies with relevant laws.
- Documented – the expense or gift, if valued at \$100 or more, is fully documented in the Gifts and Entertainment Register.

These circumstances are never acceptable:

- Gifts in the form of cash and / or cash equivalent vouchers or gift certificates
- “Quid pro quo” (a benefit or advantage offered for something in return)
- Making incomplete, false or inaccurate entries in the SEQ’s books and records, e.g. Gifts and Entertainment Register

4.4 Charitable Donations:

Charitable support is encouraged whether of in-kind services, knowledge, time, or direct financial contributions. However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery.

5. Your Responsibilities

You must ensure that you read, understand and comply with this Policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for SEQ.

All employees are required to avoid any activity that might lead to, or suggest a breach of this Policy. You must notify your manager and/or Compliance as soon as possible if you believe or suspect that a conflict with, or breach of, this Policy has occurred, or may occur in the future.

Any employee who breaches this Policy will face disciplinary action, up to and including in termination of employment. Remember, a bribe does not actually have to take place – just promising to give a bribe or agreeing to receive a bribe is an offence.

6. Exceptions

Approval for any gifts and entertainment above \$300 may only be provided by the CEO and the Head of Risk and Compliance. For the CEO, by the Chairman and must be disclosed in the register.

7. How to Raise a Concern

All SEQ employees have a responsibility to help detect, prevent and report instances of bribery and corruption as well as any other suspicious activity or wrongdoing in connection with SEQ's business. SEQ is committed to ensuring that all employees have a safe, reliable and confidential way of reporting any suspicious activity.

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage with your manager. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries or concerns, these should be raised with your manager and/or Compliance. If you are not comfortable, for any reason, with speaking directly to your manager, SEQ has a Whistleblower Protection Policy which affords certain protections against reprisal, harassment or demotion for making the report.

8. Monitoring and Review

Regular reviews of the register enable the identification and management of any emerging risks, e.g. if a particular company is presenting a significant number of gifts to various employees or if companies are offering frequent and substantial hospitality to employees. This information and breaches of this Policy will be reported to Sequoia's Board.

Furthermore, internal control systems and procedures will be subject to regular audits and reviews to provide assurance that they are effective in countering bribery and corruption.