



**New Energy**  
Solar

# Anti-bribery and Fraud Policy



# TABLE OF CONTENTS

- 1 Purpose
- 2 Scope
- 3 Definition of Fraud and Corruption
- 4 Required Standard of Behaviour
- 5 Code of Conduct
- 6 Fraud and Corruption Control
- 7 Investigations
- 8 Reporting
- 9 Policy review





## 1. Purpose

The purpose of this Anti-bribery and Corruption Policy (**Policy**) is to protect the assets and reputation of New Energy Solar (**NEW** or the **Business**) comprising New Energy Solar Limited (ACN 609 396 983) (**Company**) (together with its controlled entities) by:

- (a) reinforcing the commitment and responsibility of the board of the Company (the **Board**) and NEW senior management to identify fraudulent and corrupt activities, and for establishing policies, controls and procedures for prevention and detection of these activities;
- (b) reinforcing the requirement for all Persons Covered by this Policy to refrain from corrupt and fraudulent conduct and encourage the reporting of any instance of fraud or corrupt conduct;
- (c) providing a framework for conduct of investigations to ensure that all suspected fraudulent and corrupt activity is dealt with appropriately; and
- (d) assigning responsibility for the development of controls to prevent and detect fraud.

This Policy is consistent with Recommendation 3.4 of the ASX Governance Council's *Corporate Governance Principle and Recommendations (4th edition, February 2019)*, which provides that a listed entity should:

- have and disclose an anti-bribery and corruption policy; and
- ensure that the board or a committee of the board is informed of any material breaches of that policy.

## 2. Scope

This Policy applies to all of the following (**Persons Covered by this Policy**):

- The Board;
- The company secretary of the Company (**Company Secretary**);
- The directors and company secretary of any entity controlled by NEW;
- Any executive officer (whether or not a director of NEW) involved in the strategic and operational management of the Company. This includes officers of New Energy Solar Manager Pty Limited in its capacity as Investment Manager (**Investment Manager**) who are responsible for executing NEW's business strategy in accordance with the terms of the Investment Management Agreement dated 3 December 2015 (as amended on 20 October 2017) (**IMA**);
- Any employees, executives, partners or contractors employed or contracted by the ASX-listed entity E&P Financial Group Limited (**E&P** or **EP1**) and its subsidiaries (**E&P Financial Group**) who provide goods or services to NEW;
- Any other contractors or suppliers who provide goods and services to NEW.

The Board will be informed of any material breaches of this Policy.





### 3. Definition of Fraud and Corruption

**Corruption** is defined (for the purposes of this policy) as a dishonest activity in which a director, officer, executive, manager, employee or contractor of an entity acts in a manner that is contrary to the interests of NEW and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

Examples of corrupt conduct include, but are not limited to:

- a) payment of secret commissions (bribes, facilitation payments or gratuities) in money, or some other value, to other businesses, individuals or public officials;
- b) receipt of bribes or gratuities from other businesses, individuals or public officials;
- c) release of confidential information, for other than a proper business purpose, sometimes in exchange for either a financial or non-financial advantage;
- d) manipulating a tendering process to achieve a desired outcome; or
- e) a conflict of interest involving an act in that person's own self-interest rather than in the interests of NEW.

**Fraud** is defined as an intentional act by one or more individuals among management, those charged with governance, officers, employees, contractors or other third parties, involving the use of deception to obtain an unjust or illegal advantage.

Fraud can typically result in actual or potential financial loss to any person or entity however this is not always the case.

Examples of fraud could include, but are not limited to:

- a) misappropriation of funds, securities, or other assets including use of assets for private purposes;
- b) causing a loss to NEW or creating a liability for NEW by deception;
- c) impropriety in the handling or reporting of money or financial records;
- d) profiting from insider knowledge of NEW's activities or intended activities;
- e) accepting or seeking anything of value from contractors, vendors or persons providing services to NEW;
- f) false invoicing for services never rendered or backdating agreements;
- g) submission of exaggerated or wholly fictitious accident, harassment or injury claims; or
- h) misuse of personal leave.





## 4. Required Standard of Behaviour

NEW requires that at all times all Persons Covered by this Policy act honestly and with integrity and to safeguard the NEW resources for which they are responsible. NEW is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits.

Any fraud or corruption committed against NEW is a major concern and as a consequence all cases are to be thoroughly investigated and appropriate disciplinary action is to be taken against any Persons Covered by this Policy who are found guilty of corrupt or fraudulent conduct. This may include referral to the appropriate law enforcement or regulatory agencies for independent investigation.

Persons Covered by this Policy must not:

- offer, promise, give, accept or request a bribe and must not cause a bribe to be given, offered, promised or accepted by another person. If any Persons Covered by this Policy are offered a bribe, it must be refused and reported immediately to the company secretary. A bribe is offering (or causing the offering), promising, giving, accepting or requesting a benefit to improperly influence a person in the performance of their duty or function (including inducing a person to not do something) in order to obtain an illegitimate business advantage. Benefits include any commercial, regulatory or personal advantage, such as money, gifts, political or charitable donations, business opportunities, hospitality, access to assets or favours;
- make facilitation payments. A facilitation payment is an unofficial payment (including a nominal amount) made to facilitate or expedite a non-discretionary action by a government official;
- pay, solicit or receive secret commissions. Secret commissions typically arise where there is a payment or benefit given or offered to an agent or representative of a third party, which is not disclosed to the third party. Secret commissions are intended to influence or impact the conduct of the third party's business;
- engage in money laundering. Money laundering is concealing the origins of illegal income and disguising the income so that it appears to have come from a legitimate source;
- accept or offer gifts, entertainment or hospitality which could be perceived to create undue influence on the recipient. The context in which gifts, entertainment or hospitality are provided will be relevant to whether they could be perceived to create undue influence (eg. where parties are involved in a competitive tender process).

Gifts, entertainment or hospitality should only be offered or accepted by People Covered by this Policy for legitimate business purposes and must meet the following criteria:

- be for building relationships;
- be of reasonable value and appropriate nature having regard to cultural considerations and general business practice;
- be provided in an open and transparent manner;
- not be intended as an attempt to exert improper influence over the recipient;
- be compliant with applicable laws of the jurisdiction in which the gift, entertainment or hospitality is offered; and





- not include cash, loans or cash equivalents.

People Covered by this Policy must report to the company secretary any gift, entertainment or hospitality above an estimated financial value of \$500 which they have given or have received, within 10 working days of giving or receiving it. Reports must be recorded in a gift register maintained by the company secretary.

NEW may be subject to criminal sanctions and/or civil penalties, and may suffer reputational damage, if it is found to have been involved in bribery or related improper conduct.

People Covered by this Policy must obtain the prior approval of the NEW CFO<sup>1</sup> or the NEW CEO<sup>2</sup> to attend dinners, conferences or similar events organised by a political party or equivalent organisation when they are attending as a representative of NEW. People Covered by this Policy must obtain the prior approval of the Board to make donations to political parties, organisations, incumbents, candidates or other public officials on behalf of NEW.

NEW may make charitable donations and community investments, and provide sponsorships, which comply with the legal and ethical requirements of the jurisdiction in which the charitable donation, community investment or sponsorship is made. In Australia, charitable donations will only be made to organisations with deductible gift recipient status with the Australian Taxation Office unless the NEW CFO has approved otherwise.

People Covered by this Policy must make and keep appropriate and accurate records of expenditure on gifts, hospitality and entertainment.

## 5. Code of Conduct

Persons Covered by this Policy who are employees or, or contractors to, the E&P Financial Group are required to adhere to the E&P Financial Group's code of conduct which assists in preventing fraud and corruption within NEW. That code of conduct specifically requires employees and contractors to the E&P Financial Group to comply with the code.

## 6. Fraud and Corruption control

### Board and NEW senior management responsibility

The Board and NEW senior management, have responsibility to:

- (a) ensure that there is an effective fraud and corruption risk management framework in place;
- (b) understand the fraud and corruption risks to which NEW is exposed;

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<sup>1</sup> NEW is externally managed and the CFO is the CFO of the Investment Manager and not the Company.

<sup>2</sup> NEW is externally managed and the CEO is the CEO of the Investment Manager and not the Company.





- (c) maintain oversight of the fraud risk assessment and the controls in place to mitigate the risks identified; and
- (d) monitor reports on fraud risks, policies and control activities that include obtaining assurance that the controls are effective.

### NEW responsibilities

NEW senior management, exercising responsibilities arising from the role of the IM under the IMA, are responsible for:

- (a) fostering an environment within their businesses that makes active fraud and corruption control a responsibility of all officers, employees and contractors;
- (b) articulating clear standards and procedures to encourage the deterrence of fraud and corruption; and
- (c) the detection and reporting of offences should they occur.

Persons Covered by this Policy within NEW are responsible for:

- (a) complying with NEW policies and procedures, avoidance of conflict of interest and maintaining vigilance in early detection, reporting and prevention of fraud and corruption;
- (b) communicating and raising awareness of the risks relating to fraud and corruption and for ensuring compliance with NEW policies and procedures; and
- (c) establishing and maintaining adequate internal controls that provide for the security and accountability of NEW resources and prevent/reduce the opportunity for fraud and corruption to occur.

### NEW Finance business unit responsibilities

NEW Chief Financial Officer (**NEW CFO**) and any officers (together, **NEW Finance**) are responsible for implementing robust processes and controls in relation to expenditure, investments and transfers of money. They are also responsible for ensuring NEW has adequate insurances, inclusive of accessing insurance policies held by the E&P Financial group where relevant.

### EP1 Risk and Compliance

NEW acknowledges that the EP1 Risk and Compliance team supports NEW's everyday activities. As such the EP1 Risk and Compliance team assists NEW senior management with:

- (a) investigating internal and external fraud and corruption matters, including using external parties where required and notifying law enforcement or regulatory agencies as necessary;
- (b) ensuring that the risk of fraud and corruption is being appropriately managed; and
- (c) advising and assisting in the implementation and maintenance of best practice techniques and controls to prevent and detect fraud and corruption.





## 7. Investigations

The Company Secretary will provide the advice and requisite management assistance regarding any prospective investigation or litigation linked to a fraud or corruption event. If the Company Secretary is involved in the alleged fraud or corruption, then NEW CFO will provide the advice and requisite management assistance regarding any prospective investigation or litigation linked to a fraud or corruption event

In the event of an investigation, members of the investigating team will have free and unrestricted access to all of NEW's records and premises. They will have the authority to examine, copy and remove any information within the scope of the investigation.

All information received is treated confidentially. Investigations will not be disclosed to, or discussed with, anyone other than those who have a legitimate need to know.

Decisions to prosecute or refer the examination results to the appropriate law enforcement or regulatory agency will be made in conjunction with the NEW Chief Executive Officer (**NEW CEO**) NEW senior management and the Board.

## 8. Reporting

It is the responsibility of all officers, employees and contractors to report all suspected, attempted or actual fraud or corruption incidents in relation to NEW to the relevant person named in this Policy.

### Individuals other than Director of the Company

Any of the Persons Covered by this Policy who suspects fraud or corrupt activity in relation to NEW by an individual other than a Director of the Company is obliged to report the matter confidentially by notifying the NEW CEO or the NEW CFO.

Upon any report of suspected fraud or corruption in relation to NEW by an individual other than a Director of the Company, the Chairman of the Company is required to be notified as soon as reasonably practicable of the alleged fraud or corruption event.

### Individuals who are a Director of the Company

Any of the Persons Covered by this Policy who suspects fraud or corrupt activity in relation to NEW by an individual who is a Director of the Company is obliged to report the matter confidentially to any of the following officers:

- (a) the Chairman of the Company; or
- (b) the Company Secretary.

Where the alleged corrupt or fraudulent conduct is in relation to activities conducted by the Chairman of the Company, the Company Secretary, then an alternative member of the relevant Board is to receive the report.







Upon any report of suspected fraud or corruption in relation to NEW by an individual who is a Director of the Company, all of the following officers are required to be notified as soon as reasonably practicable of the alleged fraud or corruption event:

- (a) Chairman of the Company; and
- (b) Company Secretary.

Where the alleged corrupt or fraudulent conduct is in relation to activities conducted by the Chairman of the Company, then an alternative member of the relevant Board is to be notified instead of the Chairman of the Company.

## 9. Training

People Covered by this Policy will be made aware of this Policy as part of their induction. If required, additional training in relation to the content and subject matter of this Policy will be provided to People Covered by this Policy.

## 10. Policy review

This Policy is to be reviewed annually by the Board to check that it is operating effectively and whether any changes are required to this Policy. Any proposed changes to this Policy must be approved by the Board.

