

Anti-bribery and Corruption Policy

Harmony Corp Limited (NZCN 5177041) (ARBN 645 036 595)

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Anti-bribery and Corruption Policy

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1 Policy

1.1 General

As part of its core values, the Company is committed to achieving the highest corporate standards and does not tolerate unethical or unprofessional behaviour including fraud, bribery or corruption. The Company acknowledges the serious criminal and civil penalties that may be incurred, and the reputational damage that may be done, if the organisation is involved in fraud, corruption or bribery. The longer it continues undetected, the more severe the consequences are likely to be. The Company acknowledges that ethical and professional behaviour emanates from the most senior levels of management.

This policy provides guidance on the identification of fraud and the resultant actions to be taken and applies to all staff. The Company has a zero tolerance for fraudulent activity or corrupt behaviour. Any staff member who has personally committed or aided and abetted the commission of fraud against the Company will be summarily dismissed.

The Company 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. The Board will be informed of any material breaches of this policy.

1.2 Review

This policy will be reviewed annually to check that it is operating effectively and whether any changes are required to this policy.

2 Important concepts

2.1 What is fraud?

Staff must not be involved in Fraud. Fraud is defined as a dishonest activity that causes actual (or potential) financial loss to any person or entity. It is the theft or improper use of the Company's resources and can be committed by staff or people external to the Company. Fraud generally involves the use of misrepresentations, dishonest or deceitful conduct in order to obtain some unjust advantage over another or to cause disadvantage to the Company or the Fund. The deliberate falsification, concealment or destruction of documents is also regarded as fraudulent activity.

2.2 What is Corruption?

Staff must not engage in corrupt behaviour. Corruption occurs where staff or an officer of the Company abuses his/her position of trust for personal gain or advantage (or gain or advantage for another). Corrupt behaviour would also include conduct to secure some form of improper advantage for the Company either directly or indirectly.

2.3 What is bribery?

Staff may not give or offer, solicit or receive bribes. Bribery is defined as dishonestly giving a benefit to another person, or causing a benefit to be given, with the intent of influencing that person (or a third person) in the exercise of their professional duties. A bribe includes the payment of a secret commission or accepting a secret commission.

2.4 How to Recognise Fraud, Corruption and Bribery?

In assessing whether a fraud has been committed, the following questions should be addressed:

- (a) Did the action or event result in a monetary benefit or other advantage?
- (b) Was the action unlawful or illegal?
- (c) Were the actions deceitful, deceptive or involve the concealment of activities?

3 Gifts & Benefits

The receipt and giving of gifts, benefits or entertainment is permitted, however should not be so lavish or excessive as to operate (or imply to operate) as a bribe, an inducement to do business or imply an attempt to influence a business decision.

The following gifts must not be given or accepted:

- (a) any gift which implies or demonstrates a conflict or appearance of conflict between the self-interest of any staff and their responsibility to the Company
- (b) any amount of cash; or
- (c) gifts, benefits or entertainment offered during a decision-making process such as a major procurement or tender.

Staff who are offered any gift falling within the categories above must report this offer to the Compliance Officer as soon as practicable.

Where staff are involved in a tender process, they must provide a declaration to the Compliance Officer that they are not conflicted, will not accept gifts or benefits from the organisation tendering and will act in the best interests of the Company.

Gifts of a nominal value (i.e. below \$1,000) not falling within one of the categories above may be retained by staff. Gifts over \$1,000 given to staff by suppliers, service providers and other business associates should be surrendered to the Company. The Company will use the items for charitable fund-raising activities and where possible, donate any perishable short shelf life items to a local charity. Third party payment of travel and accommodation expenses in respect of entertainment is generally not allowed and must be referred to the Compliance Officer for approval. All staff will be required to provide a declaration to the Compliance Officer on an annual basis confirming compliance with this policy.

4 Political Donations

The Company will not make any donation or other financial contribution to any political party or candidate for an election or sponsor any organisations over AUD10,000 without seeking and obtaining prior approval from the CEO

5 How to Prevent Fraud and Corruption?

All staff can play a critical role in preventing fraud by:

- (a) Understanding the responsibilities of their position
- (b) Familiarising themselves with correct job procedures and adhering to them
- (c) Knowing what fraud, corruption and bribery are
- (d) Being aware of strategies implemented in their areas to minimise the risk of fraud, corruption and bribery
- (e) Being continuously vigilant to the potential for fraud, corruption and bribery and
- (f) Alerting responsible people to possible or perceived vulnerabilities.

6 Fraud, Corruption and Bribery Detection

The identification of real or potential frauds, corrupt behaviour or bribery can take place via the following methods:

- (a) External Audits
- (b) Independent expert reviews or investigations
- (c) Exception reporting
- (d) Investor complaints
- (e) External Service Provider complaints
- (f) Staff complaints
- (g) whistle-blowing
- (h) Results from monitoring activities.

Risk assessments are facilitated by the Risk team on an annual basis, at which fraud risk is considered. Risk assessments assist in the identification of fraud risk within the various business units and the controls that have been implemented to mitigate the risk.

7 Fraud, Corruption and Bribery Control

The primary methods of fraud, corruption and bribery control are:

- (a) Ongoing assessment and evaluation of the Risk Management and Compliance Management Frameworks
- (b) policy review, verification and monitoring
- (c) Detailed review and monitoring of fraud, corruption and bribery risks
- (d) Anti-money laundering and counter-terrorism financing programs
- (e) Development and maintenance of business processes and the internal control framework

- (f) Reference and background checks for the appointment of Staff and service providers
- (g) Education and training programs for staff in awareness and identification of fraud, corruption and bribery
- (h) Reliance on the activities performed by the external audit function in terms of assessing and reporting on the design and operating effectiveness of business processes and internal controls.

The adequacy and appropriateness of the above methods of fraud, corruption and bribery control are reviewed on an on-going basis.

8 How to report Fraud, Corruption and Bribery

Possible or actual bribery, corruption or fraudulent activity should be reported to the Compliance Officer immediately.

Staff should provide the following information when reporting a possible fraud:

- (a) Date the incident was identified
- (b) Date the incident occurred
- (c) Brief description of the incident including how it was identified and how it occurred
- (d) Details of the impact to client/funds
- (e) Dollar impact (if known)

The Company is committed to and strongly supports disclosure being made by Staff of bribery, fraudulent/corrupt conduct, illegality or improper use of the Company's assets. To protect those staff who make such disclosures from any detrimental action or reprisal, the Company has established a Whistleblower Policy.

The Company takes deliberate or malicious false disclosures of improper conduct very seriously. Any staff found to have made a false or vexatious disclosure will be subject to disciplinary action, which may include termination of employment.

9 Investigation

The Compliance Officer will conduct further inquiries in order to determine the cause, nature and circumstances surrounding the incident or activity. The Compliance Officer will advise the Company's Audit and Risk Committee.

The following sets out examples of fraudulent acts, unethical or corrupt behaviour:

- (a) Abuse of Official Position for Private Gain: This includes the acceptance of lavish gifts, bribes, corruption, blackmail, improper use of confidential information, and bias to suppliers or contractors.
- (b) Accepting or Offering Bribes - Bribery is defined as dishonestly giving a benefit to another person, or causing a benefit to be given, with the intent of influencing that person (or a third person) in the exercise of their professional duties.

- (c) Facilitation Payments - Facilitation payments are a form of bribery and made with the purpose of expediting or facilitating the performance by a public official for a routine action. The United Nations Convention against Corruption prohibits facilitation payments.
- (d) Collusion to Commit Fraud - Collusion can occur when staff act to defraud the Company. Collusion could also occur between staff and people outside the Company. This could involve staff providing information or other assistance to third parties to help them commit fraud upon the Company.
- (e) Commercially Sensitive Information – The RE Company commercially sensitive and other confidential information which will not be released without proper authorisation. Release of information may be unlawful and could breach the provisions of the Corporations Act and/or ASX Listing Rules.
- (f) Conflicts of Interest – Staff have an obligation to act for the benefit of the group. Accepting commissions, fees, gifts or favours that might act as an inducement to do business or influence a business decision could result in a conflict of interest. Conflicts of interest must be reported immediately to the Compliance Officer to ensure appropriate management of the actual or potential conflict.
- (g) Forgery or Falsifying Records - The falsifying of records and processing of a false statement is fraud e.g. falsifying data on receipts or invoices; forgery of a signature on a cheque or document; and forgery of certificates of competency or qualifications.
- (h) Deceptive Conduct - Any act, behaviour or statement made with the intention of misleading another party to enter into a contractual or business arrangement or procure/purchase a product or service which is inappropriate or unsuitable for their circumstances and may result in monetary loss or inadequate benefits for price/cost incurred.
- (i) Inappropriate use of property and assets - Inappropriate use of the Company's property and facilities, computers, smart phones, photocopiers, email or Internet.
- (j) Theft - Besides cash and cheques, the most common types of property stolen include consumables or supplies, computers (especially laptops), smartphones, software, electronic office equipment, digital cameras, gift cards, "scratch & win" cards and intellectual property. Theft also includes building materials and supplies, the unauthorised use of credit cards and theft of documents and data.
- (k) Provision of False Information - This includes the provision of financial information, briefs, papers etc, to management, the Board and its committees, regulatory authorities and to the public which is intentionally false.

The Company will ensure that staff likely to be exposed to bribery and corruption are provided training about how to recognise and deal with these issues.