

ENGENCO GROUP ANTI-BRIBERY AND CORRUPTION POLICY

1. INTRODUCTION

1.1 The Engenco group of companies (Engenco Limited, Gemco Rail Pty Ltd, Drivetrain Australia Pty Ltd, Convaire Engineering Pty Ltd, Total Momentum Pty Ltd and Centre for Excellence in Rail Training Pty Ltd) (Engenco Group) is committed to conducting its operations and business activities with integrity and preventing bribery or corruption. The Engenco Group is committed to complying with all applicable laws including those related to anti-bribery and corruption.

2. PURPOSE

2.1 The purpose of this Anti-Bribery and Corruption Policy (Policy) is to:

- (a) set out the responsibilities of the Engenco Group and its personnel in observing and upholding the prohibition on bribery and related improper conduct; and
- (b) provide information and guidance on how to recognise and deal with instances of bribery and corruption.

3. SCOPE

3.1 This Policy applies to all Engenco Group directors and employees, including any temporary or contract staff (Engenco Group Personnel).

4. PROHIBITION ON BRIBERY AND CORRUPT PAYMENTS

4.1 Notwithstanding anything else in this Policy, bribery or corruption in any form is prohibited.

4.2 Bribery involves the offering, giving, soliciting or accepting of a benefit (monetary or otherwise) to any person where the benefit is:

- (a) not legitimately due;
- (b) offered or given to that person with the intention of influencing them in the exercise of their duties or functions; and
- (c) offered or given with the intention of obtaining business or a business advantage.

4.3 The prohibition on conduct which amounts to bribery or corruption applies:

- (a) irrespective of whether the person sought to be influenced works in the public or private sector;
- (b) throughout the world;
- (c) even where a bribe is not accepted or ultimately provided. Merely offering a bribe will be a contravention of this Policy and may also be sufficient to constitute a criminal offence; and
- (d) applies where the bribery or corruption is indirect.

Importantly, the prohibition cannot be overridden or in any way excused by any particular local customs or business practices.

5. GIFTS AND ENTERTAINMENT

- 5.1 The Engenco Group recognises that accepting or offering gifts, entertainment or hospitality of moderate value is customary and in accordance with general commercial practice.
- 5.2 The Engenco Group prohibits the exchange of gifts or involvement in entertainment or hospitality activities that are beyond general commercial practice or that occur in circumstances that could be considered to give rise to undue influence.
- 5.3 Where the offering or acceptance of gifts, entertainment or hospitality is appropriate and permitted (under this Policy and/or other applicable Engenco Group policies), they may only be offered or accepted where the offer or acceptance:
- is done for the purpose of general relationship building only;
 - cannot reasonably be construed as an attempt to improperly influence the performance of the role or function of the recipient;
 - complies with the local law of the jurisdiction in which the expenditure is made;
 - does not take place with public officials from which a decision regarding any licence, permit, authorisation, or any other official act or decision is pending;
 - is given in an open and transparent manner; and
 - does not include cash, loans or cash equivalents (vouchers are acceptable as long as they cannot be converted to cash).
- 5.4 Where it is reasonably foreseeable that any gift, entertainment or hospitality will exceed A\$150.00 (per person) in value (Threshold Value), General Manager level approval must be sought and received (in writing) before that gift, entertainment or hospitality is offered or accepted.

The Threshold Value is not an automatic authorisation to offer gifts, entertainment or hospitality up to that amount. Employees are expected to deploy the company's resources sensibly and in accordance with all other relevant policies and procedures including delegations of authority.

- 5.5 If the value of any gifts, entertainment or hospitality exceeds the Threshold Value, it must be promptly recorded in the Gifts and Entertainment Register (Register). The entry must:
- record the value (or approximate value) of the gift, entertainment or hospitality and whether the gift or invitation to participate in entertainment or hospitality was accepted or declined;
 - include the details of any approval received;
 - be accurate and not distort or disguise the true nature of the entry.
- 5.6 The Register must be reviewed at least once every quarter by the Managing Director.
- 5.7 It may be a breach of this Policy if gifts, entertainment or hospitality are provided to an individual or organisation on multiple occasions (even where each individual provision of the gifts, entertainment or hospitality would not on its own breach this Policy). It may also be a breach of this Policy if gifts, entertainment or hospitality are received in a context that makes them inappropriate (for example, the provider is in the process of a competitive tender).
- 5.8 Gifts, entertainment or hospitality must not be offered to, or accepted from any public or government official or employee (including from local, State, Provincial or Federal bodies) or their associates (including politicians or political parties), without prior written General Manager approval and never where there is an intention to influence a person corruptly or improperly in the exercise of their duty.
- 5.9 This Policy does not prevent Engenco Group Personnel from attending political functions in their own personal capacity where such participation does not involve the commitment of the company's funds, assets, resources, time or personnel.

- 5.10 This Policy does not include appropriately authorised internal Engenco Group incentives and/or tokens of appreciation for employees such as prizes, gifts and meals.

6. POLITICAL OR CHARITABLE DONATIONS

- 6.1 All dealings with politicians and government officers which relate to the Engenco Group and its business activities must be conducted at arm's length and with the utmost professionalism to avoid any perception of attempting to gain an inappropriate advantage.
- 6.2 Any political donations must be authorised by the Chairman and disclosed as required by law, and recorded in the relevant accounts. Any donations above a level determined in Federal legislation must be disclosed annually to the Australian Electoral Commission and will be published on its website.
- 6.3 The Engenco Group may make charitable donations that are legal and ethical under local laws and practices. A charitable donation may only be offered with the written approval of the Managing Director or in accordance with any the Engenco Group delegation of authority policy. Care must be taken to ensure that charitable donations and social programs are applied for legitimate and appropriate purposes.

7. PROHIBITION ON FACILITATION PAYMENTS AND SECRET COMMISSIONS

- 7.1 The making of facilitation payments is prohibited. Facilitation payments are typically minor unofficial payments to public officials made either directly or indirectly to expedite or secure the performance of a routine government action (for example, to facilitate the expedition of applications for visas or licences).
- 7.2 The giving or receiving of secret commissions is prohibited. Secret commissions typically arise where a person or entity offers or gives a commission to an agent or representative of another person (such as a contractor) which is not disclosed by that agent or representative to their principal. Such a payment is made as an inducement to influence the conduct of the principal's business.

8. DEALINGS WITH THIRD PARTIES

- 8.1 It is important that appropriate controls are implemented in respect of Engenco Group's engagement of third parties to ensure that the actions of the third parties do not affect the Engenco Group adversely. For these purposes, a "third party" may include joint venture partners, agents, suppliers, purchasers or contractors.
- 8.2 Third parties that pose particular risk of breaching anti-bribery and corruption laws include those that operate in developing or emerging economies and are involved in negotiating any business arrangements or transactions with the public or private sector on behalf of the Engenco Group in any country (including bidding for tenders, negotiating supply contracts, arranging leases or licences or providing transportation or customs clearance services).
- 8.3 The Managing Director is responsible for determining which third parties pose a particularly high risk and therefore require specific anti-bribery and corruption controls. The Managing Director will make that determination having regard to this Policy and the nature and location of the work being undertaken by those third parties.

9. ACCOUNTING BOOKS AND RECORDS

- 9.1 Internal financial recording and accounting systems and procedures must be maintained to make and keep books and records which accurately and fairly reflect, in reasonable detail, the parties, the payment arrangements and the purpose of all transactions and disposition of assets.
- 9.2 No undisclosed or unrecorded fund or account may be established for any purpose.

10. COMPLIANCE WITH LOCAL LAWS REQUIRED

- 10.1 This Policy reflects the laws applicable to the Engenco Group's common operations. As such, compliance with the Policy should generally result in compliance with local laws. Nevertheless, Engenco Group Personnel should ensure that they are familiar with local laws and, where a law imposes a higher standard than the Policy, Engenco Group Personnel operating in that country must fully comply with the higher standard.

11. REPORTING PROCEDURE AND QUERIES

- 11.1 Engenco Group Personnel must report any instance where they believe that non-compliance with this Policy has occurred, is occurring, or is being planned, as soon as reasonably practicable after they become aware of the suspected non-compliance. The report should be made to the Managing Director and may be made anonymously. All disclosures will be taken seriously, investigated and treated with the utmost confidentiality.
- 11.2 Engenco Group Personnel who wish to raise a concern or report a breach may be worried about possible repercussions. Openness is encouraged and anyone who raises genuine concerns in good faith under this Policy will be supported, even if they turn out to be mistaken.
- 11.3 The Engenco Group 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.
- 11.4 Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. Engenco Group Personnel who are subjected to such treatment should inform the Managing Director immediately.
- 11.5 Engenco Group Personnel are also encouraged to contact the Managing Director if they have any questions or concerns regarding this Policy or subject matter to which this Policy relates.

12. RELATED PROCEDURES/LEGISLATION

- 12.1 Laws prohibiting the types of improper payments covered by this Policy apply in most, if not all of the countries in which the Engenco Group operates. Bribery and corruption are criminal offences and penalties can be severe for both companies and individuals.
- 12.2 Many laws, such as the Criminal Code Act 1995 (Cth) (Australia), the Foreign Corrupt Practices Act (United States of America) and the Bribery Act 2010 (United Kingdom) have extra-territorial application and can apply even if the act of bribery or corrupt conduct takes place in another country.
- 12.3 This Policy should be read in conjunction with all other relevant Engenco Group policies.

13. BREACH OF THIS POLICY

- 13.1 A breach of this Policy may be regarded as serious misconduct, leading to disciplinary action, which may include termination of employment. 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 personal financial penalty.

14. REVIEW AND AMENDMENT OF THIS POLICY

- 14.1 A formal review of this Policy takes place annually and any amendments require approval from the Engenco Group Board of Directors.