



**SOLETEC Qatar W.L.L.**

Standard for the Prevention of Bribery and Corruption

**Soletec Qatar W.L.L.**

# **Standard for the Prevention of Bribery & Corruption**

Risk Management Procedures for the prevention of bribery and corruption in Soletec business practices

Approved – November 2010

## Table of Content

Definition	3
Business Principles	4
Delegation of Authority and Code of Business Conduct	6
Observing this standard	7
Third Party Risk Assessment	8
Gift Giving and Receiving	11
Entertainment Giving and Receiving	13
Facilitation Payments	15
Political Contributions	17
Charitable Donations	18
Corporate Social Responsibility Donations	19
Travel & Expense Reimbursement	20
Investigating and Reporting	21
Maintaining Records and Monitoring Implementation	22
Appendix A – High Risk Countries	23
Appendix B – Third Party Risk Assessment Questionnaire	24
Appendix C – Contract Wordings for High Risk Third Parties	29

## DEFINITION

Bribery and Corruption is defined as any activity or transaction that involves:

**The offer or the acceptance of a financial or other form of benefit that is intend to encourage the recipient of the benefit to act improperly or unfairly in the award of business or in the execution of their duties.**

It covers the award of business and the provision of services to Soletec and the award of business by Soletec to vendors and sub-contractors.

It also covers state awarded business as well as business transacted between two commercial entities. Examples of activities or transaction that involve bribery and corruption include but are not limited to:

- Paying individuals with authority or influence over the award of business in order to influence them to make an award in favour of Soletec
- Exchanging expensive gifts or providing lavish entertainment to individuals with the intention to influence the award of business to Soletec
- Making political or charitable donations that are intended to unfairly influence the award of business to Soletec
- Accepting payment or other inducements from agents, vendors or sub-contractors in order to grant the award of business to a Third Party, such as a supplier or sub-contractor
- Manipulating tender procedures to award a contract to a specific sub-contractor or vendor in return for some form of payment or other favour
- Offering payments or other forms of benefit to a tax or customs official to overlook local taxation or customs requirements

It is not always immediately apparent whether or not a transaction could be interpreted as involving bribery and corruption, particularly as local customs and behaviors can and do vary from one country to another. This standard is designed to ensure that Soletec at all time acts responsibly and ethically when pursuing and awarding business and that we fulfill the principles expressed in our Code of Business Conduct relating to acts of bribery and corruption. This standard is also designed to ensure that Soletec complies with relevant law, in particular with OECD Rules and U.S. law (and to differing extents the laws of other countries) all transactions that involve the payment of some form of benefit which is intended to encourage the recipient to act improperly or unfairly – whether between Soletec and a government entity or official between Soletec and another commercial Third Party – are illegal and may be prosecuted. Variations in local custom are not an acceptable basis for offering or accepting a bribe. Individual involved will be exposed to potential imprisonment and Soletec Limited to potentially unlimited fines if found guilty.

The demonstrations of an "adequate" system of risk management is a significant mitigant and a potential defense against prosecution. Therefore, maintaining an adequate risk management system, in addition to upholding our business principles, could help to significantly reduce any fines or reputational damage in the event that bribery or corruption is discovered within our business.

The *Standard for the Prevention of Bribery and Corruption* defines the rules and procedures that all employees must follow in order to help ensure that we do not become involved either directly or indirectly in bribery or corruption and that we are not negligent in our efforts to prevent bribery and corruption within our operations.

# BUSINESS PRINCIPLES

This standard is designed to ensure as far as reasonably possible that Soletec operates according to a system which prevents bribery and corruption from occurring within our business practices.

This standard is based on the following business principles:

## Principle 1

Soletec is committed to the prevention of bribery and corruption in all its forms and will educate employees, representative, partners, contractors and suppliers to understand and abide by our standards

## Principle 2

Soletec is committed to ensuring that all business that is either awarded to us or awarded by us is done so fairly, legally and without connection to bribery or corruption

## Principle 3

Soletec supports the giving and receiving of gifts as part of normal business relations providing that they are not intended to unfairly influence and could not be perceived to unfairly influence the award of contracts to Soletec or by Soletec

## Principle 4

Soletec supports the giving and receiving of entertainment as part of normal business relations providing that it is not intended to unfairly influence and could not be perceived to unfairly influence the award of contracts to Soletec or by Soletec

## Principle 5

Soletec does not condone facilitation payments and is committed to combating the facilitation payment culture wherever it is encountered, including refusing requests for facilitation payments except under exceptional circumstances such as a threat to personal safety

## Principle 6

Soletec prohibits all employees, representative and affiliates from making political contributions of any kind in the name of Soletec or using Soletec funds for this purpose

## Principle 7

Soletec is committed to supporting charitable organizations and to making charitable donations providing they are not in any way connected to bribery or corruption

## Principle 8

Soletec is committed to supporting local communities that are impacted by our business activities providing that any investments that are not connected to any form of bribery or corruption

#### Principle 9

Soletec will investigate promptly and in confidence any actual or suspected instance of bribery or corruption related to any transaction that involves the company and of which we become aware and will take appropriate disciplinary action against any individuals who are found to be involved in bribery or corruption

#### Principle 10

Soletec will maintain accurate records and documentation to demonstrate the effectiveness of this risk management system and will monitor the implementation of this standard

Soletec is a signatory to both the *Partnering Against Corruption* Initiative of the World Economic Forum and the *United National Global Impact of Business Principles*. See Appendix G for details.

# DELEGATION OF AUTHORITY AND CODE OF BUSINESS CONDUCT

This standard sets the rules for the prevention of bribery and corruption in Third Party transactions.

The *Soletec Limited Board Delegations of Authority* specifies financial and other forms of authority limit for many different types of transaction. All managers with decision-making authority should be aware of the *Soletec Limited Board Delegations of Authority* and comply with its provisions as well as the provisions of their own Business Unit Delegations of Authority.

Soletec also has a *Code of Business Conduct* that sets out broad principles of behavior that are expected when engaging in Soletec Business. The rules in this Standard for the *Prevention of Bribery and Corruption* are consistent with the principles in our *Code of Business Conduct*. It is a Business Unit responsibility to ensure as far as possible that all employees are aware of the *Code of Business Conduct* and that employees uphold the principles of the *Code of Business Conduct* at all times.

Each Business Unit should appoint an individual to be responsible for the distribution, communication and implementation of this standard. It is assumed that this will be a Director for Risk and Compliance or a Director with responsibility for risk and compliance matters.

## OBSERVING THIS STANDARD

This standard supersedes any references to the matters covered by this standard that may be included in any other internal Soletec policy or documentation. It may only be altered or amended by the Director for Legal and Commercial Affairs or the Group Head of Enterprise Risk Management.

### Principle 1

**Soletec is committed to the prevention of bribery and corruption in all its forms and will educate employees, representative, partners, contractors and suppliers to understand and abide by our standards**

If any aspect of this standard is unclear if there is any uncertainty regarding how to apply it in practice or how it applies to a specific issue or activity then the query should be referred to the Director for Risk and Compliance or the Director with responsibility for the monitoring and implementation of this risk management standard if it is different.

If there is any doubt as to whether a particular activity or transaction involves or may be perceived to involved bribery or corruption it should be referred to the Business Unit Director for Risk and Compliance or the Director who is responsible within the Business Unit for the implementation of this Standard if it is different.

- A. The Business Unit must ensure that there is a nominated person with responsibility for ensuring that this standard is properly communicated, implemented and adhered to and that employees, contracted agents and affiliates are aware of its provisions
- B. It is assumed that this responsibility will rest with your Director for risk and compliance matters in the Business unit
- C. Soletec Group will provide support in the following ways:
  - C.1 Ensuring that this standard is reviewed and updated to reflect changes in the external regulatory environment and industry good practice
  - C.2 Monitoring and reviewing Business Unit compliance with the provisions of this standard including review of documentary evidence
  - C.3 Providing educational support to assist the businesses with the implementation and adoption of this Standard
  - C.4 Resolving matters of interpretation or instances of break-down of the procedures in this standard
  - C.5 Investigating alleged acts of bribery or corruption

# THIRD PARTY RISK ASSESSMENT

It is essential that Soletec conducts adequate risk analysis and due diligence of all Third Party relationships of significance before any contractual commitment is entered into. Failure to demonstrate consideration of the risks when entering into contracts will expose Soletec in the event that an act of bribery or corruption subsequently occurs.

## Principle 2

**Soletec is committed to ensuring that all business that is either awarded to us or awarded by us is done so fairly, legally and without connection to bribery or corruption**

We all have a responsibility for the actions of Third Parties who are acting on our behalf and an obligation to ensure that all transactions between Soletec and any Third Party respect the principles of our own business and do not expose Soletec to illegal activity for which the company may be prosecuted.

We also have a duty of care to our own employees to ensure that they understand the risks and exposures to bribery and corruption that we may be placing our employees in when asking them to work with Third Parties or when entering into contractual obligations with Third Parties.

## GENERAL RULES

For all Third Party relationships that exceed defined thresholds as defined below a formal risk assessment (see Appendix B) must be completed to determine the level of risk associated with the Third Party. Clients are not included in this process. Client risk review will continue to be managed through separate existing procedures in Business Unit and Soletec Limited Risk Review Committees.

The objective of setting risk assessment standard for Third Parties is to ensure that consideration is given to the potential bribery and corruption risk that may be inherent in the relationship and to take action to reduce this risk wherever possible. It is recognized that formal risk assessment cannot and need not be conducted on every single Third Party relationship. For this reason the following rules apply:

- D. Background formal risk assessment (See Appendix B) should be conducted by the Business Unit and relevant functions on Third Parties as follows:
  - D.1 Any joint venture partners (including unincorporated), agent or intermediary relationship (Soletec Group has a policy on the appointment of agents which provides additional information on the appointment process)
  - D.2 Any sub-contract or service provider relationship with a contract value in excess of \$5m for product based contracts (e.g. construction sub-contractors) or \$500K for service based contracts (e.g. service sub-contractors, agents, consultants)
  - D.3 Any vendor relationship with a contract value in excess of \$5m where the vendor is registered in a high risk Jurisdiction as defined in Appendix A
  - D.4 The recipient organization of any charitable donation in excess of \$10K or Corporate Social Responsibility Investment in excess of \$100K

- E. The objective of the risk assessment is to determine whether there is any risk involved in transacting with the Third Party, by determining as far as reasonably possible the following:
  - E.1 The ownership structure of the Third Party including the ultimate ownership and the presence, whether as a director or shareholder, of any government officials or other individuals with a potential conflict of interest
  - E.2 That company and its directors or shareholders are not publicly known to be connected to bribery or corruption or other illegal activity either through past activities or current investigations
  - E.3 That the company and its directors are not barred from conducting the business for which they are being considered
  - E.4 That the company is a legitimate business with a record of providing the services for which it is being considered
  - E.5 That the Third Party is committed to the prevention of bribery and corruption relating to any business Connected with Soletec
  
- F. The risk assessment template is included in Appendix B and should be documented, recorded on file for 5 years or until such time as it is refreshed if sooner
  
- G. The Third Party should be re-assessed in accordance with these above provisions every five years or sooner if it subsequently becomes apparent that it has been involved in bribery and corruption. There is a 24 month period to retrospectively apply the provisions of this standard to existing Third Party relationships.
  
- H. Those Third Parties for which a formal risk assessment is required must accept defined contractual provisions relating to the prevention of bribery and corruption (see Appendix C) and covering:
  - H.1 Explicit agreement by the Third Party to abide either by Soletec standards for the prevention of bribery and corruption or to observe a standard that is mutually agreeable and comparable to Soletec in terms of scope and level of control
  - H.2 If the Third Party is a Joint Venture then the Joint Venture should accept an obligation to implement an anti-bribery and corruption program that is comparable to Soletec system and which Soletec can review
  - H.3 Reservation of the right by Soletec to audit the Third Party in respect of its own bribery and corruption Measures and to suspend all payments to the Third Party (or by the Third Party if it is a Joint Venture) specially in the event of a reasonable grounds for believing that an act of bribery or corruption has taken place in relation to a Soletec contract
  - H.4 Reservation of the right to terminate the contract if an investigation into an alleged act or bribery or or corruption in relation to Soletec Contract is substantiated

- I. If a Third Party is assessed as high risk based on the risk assessment then the following actions must be taken:
  - I.1 The Director responsible for risk and Compliance matters in the Business Unit should review the risk Assessment to determine what further risk analysis and investigation is required, including the need for Independent outsourced investigation into specific issue identified in the risk assessment
  - I.2 If its decided to proceed with a contractual relationship with the Third Party the Business Unit Risk Review Committee should also review the risk assessment and satisfy itself that the relationship can proceed without breaching the requirements of this Standard
  - I.3 If the relationship does proceed then the Third Party will be required, as a minimum and subject to any Additional measures as may be determined, to certify annually that is not aware of any bribery or corruption in relation to the business it is conducting with Soletec (see Appendix D for the Third Party Certification that should be signed annually during the life of the contract and Appendix F for the Charitable and CSR Donations Certification that should be signed at the time of the donation being made)

For lower value contracts, whilst it is not a requirement to conduct a formal, documented risk assessment, it is still a requirement that the Business Unit satisfies itself that the Third Party is bona fide and that contracting with the Third Party will not breach the requirements of this standard.

It is also recommended that the contractual provisions included in this standard are applied to all Third Party contracts although is not an obligation of this standard to do so.

## **EXCEPTIONAL PROCEDURE**

- J. If the Director responsible for risk and compliance matters or the Business Unit Risk Review Committee is concerned about the level of risk associated with a Third Party and requires additional support or guidance then the matter should be passed to Group (Director for Legal and Commercial Affairs or the Group Head of Enterprise Risk Management).

# GIFT GIVING & RECEIVING

it is typical for modest gifts to be offered in the normal course of business to promote good relations or mark special business occasions. Such gifts are generally not considered to be bribes provided the transaction is transparent and that the gift is not designed to unfairly influence a business transaction.

## Principle 3

**Soletec supports the giving and receiving of gifts as part of normal business relations providing that they are not intended to unfairly influence and could not be perceived to unfairly influence the award of contracts to Soletec or the award of contracts by Soletec**

## GENERAL RULES

The following rules apply to the giving and receiving of gifts:

- K. Any gift that is given or received should have a nominal value that is linked to the economy of the country of the individual receiving the gift. For high income countries this should not exceed \$500 and for all other countries \$300. See appendix D for details of high income countries
- L. Gifts that are given by an executive on behalf of Soletec to another company rather than to an individual (i. e. official company gifts exchanged between companies) have higher limit of \$1500
- M. The gift that is given or received must not be intended to influence the award of business to Soletec or the award of business by Soletec and sensitivity should be given to the timing of the gift to prevent this perception.
- N. The gift that is given or received must be part of a pattern at repeated gift giving or receiving with the same individual or company.
- O. The gift must not be in the form of cash or a cash equivalent such as a voucher that can be exchanged for cash unless it is part of a registered incentive scheme in which cash is transparently declared as the incentive.
- P. The gift must not be exchanged during a bidding process with a Third Party from whom we are seeking to be awarded business or to whom we are seeking to award business

## EXCEPTIONS PROCEDURE

There may be occasions or circumstances in which management of the business wish to approve the exchange of a gift that does not comply with these rules. In such circumstances the following procedures apply:

- Q. The gift should have the explicit approval of the relevant functional Director or the Director responsible for risk and compliance matters
- R. The gift should be recorded in a gifts register which is maintained by the Director for risk and compliance matters and the register should be available for review and audit
- S. The register should record the approximate value of the gift and the type of gift, the recipient, the reason why the gift is an exception item (for example, because of its value or its timing in connection with bidding processes)
- T. Items in the register must be kept for at least 10 years before being removed
- U. Any gift that is both above the financial value threshold and being exchanged with a Third Party from whom we are bidding for business or who is bidding for business from us must have the additional explicit approval of your Managing Director or the Director responsible for risk and compliance matters in your business

## ENTERTAINMENT GIVING AND RECEIVING

It is typical for modest entertainment to be offered in the normal course of business to promote good relations or mark special business occasions. Such entertainment is generally not considered to be a bribe or a form of corruption provided that the entertainment is transparent and is not designed to unfairly influence a business transaction.

### Principle 4

**Soletec supports the giving and receiving of entertainment as part of normal business relations providing that it is not intended to unfairly influence and could not be perceived to unfairly influence the award of contracts to Soletec or by Soletec**

## GENERAL RULES

The following rules apply to the giving and receiving of entertainment:

- V. Any entertainment that is given or received should have a nominal value that is linked to the economy of the country of the individual receiving the entertainment. For high income countries this should not exceed \$300 and for all the other countries \$200 per person involved in the entertainment event. See appendix D for details of high income countries
- W. Official corporate entertainment that is being exchanged between two companies and officially hosted at the company rather than individual level should have a nominal value not to exceed \$1500 per person
- X. The entertainment that is given or received must not be intended to influence the award of business to Soletec or the award of business by Soletec and sensitivity should be given to the timing of the entertainment to prevent this perception
- Y. The entertainment that is given or received must not be part of a pattern of repeated entertainment giving or receiving with the same individual or company
- Z. The entertainment must not involve the use of privately owned assets for business entertainment purposes or business assets for private entertainment purposes

## EXCEPTIONS

There may be occasions or circumstances in which management of the business wish to approve entertainment that does not comply with these rules. In such circumstances the following procedures apply:

- AA. The entertainment should have the explicit approval of the relevant functional Director or the Director for risk and compliance matters within Business Unit
- BB. The Entertainment should be recorded in a gifts register which is maintained by the Director for risk and compliance matters and the register should be available for review and audit
- CC. The Register should be record the approximate value of the entertainment and the type of entertainment, the recipient, the reason why the entertainment is an exception item (for example, because of its value or its timing in connection with bidding processes)

DD. Items in the register must be kept for at least 10 years before being removed

EE. Any entertainment that is both above the financial value threshold and being exchanged with a Third Party from whom we are bidding for business or who is bidding for business from us must have the additional explicit approval of the Managing Director or the Director for risk and compliance matters

# FACILITATION PAYMENTS

Facilitation payments are unofficial payments that are requested or expected for routine services that Soletec is entitled to receive from public authorities without making such payments.

The difference between facilitation payments and payments that are legitimate is that a legitimate payment will usually be advertised by some public means at a set tariff which is the same for everyone and will be paid for transparently to an organization or government department which will provide a receipt.

## Principle 5

**Soletec does not condone facilitation payments and is committed to combating the facilitation payment culture wherever it is encountered, including refusing requests for facilitation payments except under exceptional circumstances such as a threat to personal safety**

Examples of facilitation payments could include but are not limited to:

- Payments made to obtain permits, licenses or other official documents to qualify a person to do business in a foreign country
- Payments in order to facilitate governmental papers, such as visas and work orders
- Payments for the provision of police protection, mail pick-up and delivery or scheduling inspections associated with contract performance or inspections related to transit of goods across country
- Payments for the provision of phone service, power and water supply, loading and unloading of cargo, or protecting perishable products from deterioration
- Payments to expedite the processing of customs clearance either directly or indirectly through freight forwarding agents

## GENERAL RULES

FF. Facilitation payments are unacceptable and should not be offered or paid, either directly or indirectly through a Third Party, as they represent a form of bribery and corruption which is inconsistent with the way we conduct business

GG. Facilitation payments may only be made in exceptional circumstances (for example, where personal safety is threatened) if a facilitation payment is made then exception procedure must be followed:

## EXCEPTIONS

In facilitation payment is made under company instruction or acting on behalf of the company for any reason the following rules apply:

- HH. Prior Approval should be sought wherever possible (although in the case of physical threat this may not be possible) from the relevant Project Director or the Functional Head
- II. If the payment has a value in excess of \$100 then:
  - II.1 Then payment must be recorded in a facilitation payments register, which includes an explanation of the reasons for the payment, who it is paid to and its value
  - II.2 The register must be kept for a period of 10 years and be available for audit
  - II.3 The transaction should also be accurately recorded in Soletec accounting records
- JJ. If a facilitation payment appears to be part of a pattern of pressure by a public authority to make such payments then the relevant local authority should be notified of what has occurred and a complaint should be registered. Group should also be made directly aware of the matter.

# POLITICAL CONTRIBUTIOS

A political contribution is a contribution by Soletec, usually made voluntarily, to a politician, a political campaign, a political party or a political committee or other form of political organization that is directly affiliated to a political party. Political contributions can generally take the form of money, services or ideas.

## **Principle 6**

**Soletec prohibits all employees, representatives and affiliates from making political contributions of any kind in the name of Soletec or using Soletec funds for this purpose**

All employees, representatives and affiliates are free to make political contributions in a private capacity using private funds providing there is no intention to gain a commercial advantage for Soletec in process

## **EXCEPTIONS**

The decision to make political contribution or conduct or engage in political activities on behalf of the company can only be made by the Soletec Limited Board of Directors and must be publicly disclosed.

# CHARITABLE DONATIONS

Charitable donations are items of value such as cash, service or resources that are donated directly to charitable organizations or indirectly through the sponsorship of events where a portion of the proceeds will benefit a registered charity.

## Principle 7

**Soletec is committed to supporting charitable organizations and to making charitable donations providing they are not in any way connected to bribery or corruption**

## GENERAL RULES

When making any charitable donation the following rules apply:

KK. The donation must not be made to an organization that is connected to any other organization with whom we are involved in a bidding process either to grant or receive business

LL. If the value of the donation exceeds \$10k then:

LL.1 A formal risk assessment should be conducted to determine if the charitable organization represents a high risk before any donation is made (see section on Third Party Risk Assessment)

LL.2 The donation must be recorded in a charities register and the records kept for 10 years

MM. If the charitable organization receiving the donation is assessed as high risk based on the risk assessment then

MM.1 The Director responsible for risk and compliance matters in the Business Unit should review the risk assessment to determine if further risk analysis and investigation is required, including the need for independent outsourced investigation into specific issues identified in the risk assessment

MM.2 Before proceeding with the donation the Business Unit Risk Review Committee should also review the risk assessment and satisfy itself that the donation can proceed without breaching the requirements of this standard

MM.3 if the donation does proceed then the recipient organization must sign the Charitable and Corporate Social Responsibility Donations Certificate in Appendix E

Below the value of \$10K it is still a requirement that the business satisfies itself that the donation is not in any way connected to bribery or corruption before the payment is made.

## EXCEPTIONAL PROCEDURE

NN. If the Director with responsibility for risk and compliance matters or the Business Unit Risk Review Committee is concerned about the level of risk associated with the donation and requires additional support or guidance then the matter should be passed to Group (Director for Legal and Commercial Affairs or the Group Head of Enterprise Risk Management).

# CORPORATE SOCIAL RESPONSIBILITY DONATIONS

Corporate Social Responsibility (CSR) donations are items of value (cash, services or assets) that are invested in the local communities that are affected by Soletec business activities. These donations or investments with often be made through a Third Party organization.

## Principle 8

**Soletec is committed to supporting the local communities that are impacted by our business activities providing that any investments that are made are not connected to any form of bribery or corruption.**

When making any CSR donation the following rules apply:

OO. The donation must not be made to an organization that is connected to any other organization with whom we are involved in bidding process either to grant or receive business

PP. If the value of the donation exceeds \$100K then:

PP.1 A formal risk assessment should be conducted to determine if the charitable organization represents a high risk before any donation is made (See section on Third Party Risk Assessment)

PP.2 The donation must be recorded in a CSR register and the records kept for 10 years

QQ. If the CSR organization receiving the donation is assessed as high risk based on the risk assessment then:

QQ.1 The Director for risk and compliance matters in the Business Unit should review the risk assessment to determine if further risk analysis and investigation is required, including the need for independent outsourced investigation into specific issues identified in the risk assessment

QQ.2 Before proceeding with the donation the Business Unit Risk Review Committee should also review the risk assessment and satisfy itself that the donation can proceed without breaching the requirements of this standard

QQ.3 if the donation does proceed then the recipient organization must sign the Charitable and Corporate Social Responsibility Donations Certificate in Appendix E

Below the value of \$100K it is still a requirement that the business satisfies itself that the donation is not in any way connected to bribery or corruption before the payment is made

## EXCEPTIONAL PROCEDURE

RR. If the Director for risk and compliance matters or the Business Unit Risk Review Committee is concerned about the level of risk associated with the donation and requires additional support or guidance then the matter should be passed to Group (Director for Legal and Commercial Affairs or the Group Head of Enterprise Risk Management).

## **TRAVEL & EXPENSE REIMBURSEMENT**

Each business Unit is responsible for establishing and documenting its own Travel and Expense reimbursement policies and procedures and for ensuring that they are sufficiently controlled to spot and prevent bribery and corruption.

These Business Unit policies and procedures should ensure that they comply with the Corporate Travel and Expenses policy.

# INVESTIGATION AND REPORTING

Investigation and reporting of suspected instances of bribery and corruption – whether in respect of a Soletec employee or a Third Party with which we are contractually connected is an essential element of our risk management system.

## Principle 9

**Soletec will investigate promptly and in confidence any actual or suspected instance of bribery or corruption related to any transaction that involves the company and of which we become aware and will take appropriate disciplinary action against any individuals who are found to be involved in bribery corruption.**

## GENERAL RULES

- SS. All employees are responsible for immediately reporting any suspected instance of bribery and corruption, whether in relation to another employee of Soletec, an agent or representative of Soletec or a Third Party with which we are or may be contractually connected
- TT. Any suspected instance of bribery and corruption should be reported in the first instance either to a line manager or the Director responsible for risk and compliance matters for the Business Unit
- UU. Alternatively, there is a telephone and email line which can be used to report the matter straight to an independent person if the other reporting processes are not sufficient. These details are also included in the Soletec Code of Business Conduct:
  - UU.1 [info@soletec.com](mailto:info@soletec.com)
- VV. Once the business becomes aware of a suspected instance of bribery or corruption:
  - VV.1 Group should be informed immediately and the nature of any investigation agreed before proceeding
  - VV.2 if initial investigations indicate that there may be substance to the suspicion then Group will determine what further investigations are required and whether external support is necessary

**Under no circumstances should any suspicion of bribery or corruption be ignored.**

# MAINTAINING RECORDS AND MONITORING IMPLEMENTATION

Maintenance of proper records of transactions and risk assessments is an essential component of the risk management system. Without this it will not be possible to demonstrate that we have an adequate framework of controls.

## Principle 10

**Soletec will maintain accurate records and documentation to demonstrate the effectiveness of this risk management system and will monitor the implementation of the standard**

## GENERAL RULES

The Business Unit is responsible for the following review and monitoring activities:

WW. Implementing this standard and monitoring compliance across business operations

XX. Keeping and maintaining accurate records of transactions as defined in this standard including:

XX.1 Documentation of risk assessments into Third Parties that require formal risk assessment before contracting

XX.2 A register of approved high risk Third Parties and the required certifications (including certifications for high risk charitable and CSR donations)

XX.3 A register of authorized gifts that are an exception to policy

XX.4 A register of authorized entertainment that is an exception to policy

XX.5 A register of authorized facilitation payments that are an exception to policy

YY. The performance of occasional reviews or audits of high risk Third Parties to assess compliance to the bribery and corruption prevention commitments that the Third Party has contractually agreed to

ZZ. An annual review of internal compliance with this standard, executed under the direction of your Director for risk and compliance matters

## APPENDIX A – HIGH RISK COUNTRIES

This list of high risk territories is approved by the Soletec Limited Board and also included in the Soletec Limited Board Delegated Authorities. It is periodically reviewed and updated by the Soletec Limited Board.

Afghanistan	Djibouti	Laos	Paraguay
Algeria	Dominican Republic	Liberia	Philippines
Angola	East Timor	Libya	Russia
Bangladesh	Eritrea	Madagascar	Serbia
Belarus	Ecuador	Malawi	Sierra Leone
Benin	Equatorial Guinea	Mauritania	Somalia
Bolivia	Gabon	Mongolia	Sudan
Burundi	Georgia	Morocco	Tajikistan
Cambodia	Guatemala	Myanmar	The Gambia
Cameroon	Guinea	Moldova	Togo
Central African Republic	Haiti	Nepal	Turkmenistan
Chad	Honduras	Nicaragua	Ukraine
China	Iraq	Niger	Uzbekistan
Congo (Brazzaville)	Iran	Nigeria	Venezuela
Cote d'Ivoire	Kazakhstan	North Korea	Yemen
Cuba	Kenya	Pakistan	Zimbabwe
Democratic Republic of the Congo	Kyrgyz Republic	Papua New Guinea	

## APPENDIX B – THIRD PARTY RISK ASSESSMENT QUESTIONNAIRE

Risk assessment of Third Parties is an essential element of our anti-bribery and corruption risk management process. The risk assessment checklist below is provided to assist with the risk assessment process for those Third Party contracts that require a formal risk assessment to be conducted. It should also be used on a more informal basis when considering the risks for low value contracts that do not require a formal risk assessment to be conducted although this is not mandated by the procedure.

**Third Party Risk Assessment (to be completed by the relevant functional team that is managing the relationship, prior to entering into a contract or making a Charitable or CSR donation as per the thresholds define in this Standard)**

No.	Question	Yes	No	Don't know or N/A
1	Has it proven impossible to determine the ownership structure (including any parent companies) or the Director structure of the company?			
2	is the Third Party (or its parent Company registered to a High Risk Country?			
3	is it owned party or wholly by the Government of a high risk country or by a royal family?			
4	Are any of the Directors or shareholders of the company public official or royal family members?			
5	Is the Third Party registered to an offshore jurisdiction that could be regarded as a tax haven or a jurisdiction with limited governance and financial control?			
6	Have any of the Directors, Officers or Shareholders of the Third Party been investigated or prosecuted or are they currently under investigation for involvement in an act of bribery or corruption?			
7	Have any of the Directors, Officers or Shareholders of the Third Party been convicted for involvement in an act of bribery or corruption?			

No.	Question	Yes	No	Don't know or N/A
8	Are any of the Directors or Shareholders of the Third Party political officials or representatives of political organisations?			
9	Is Soletec aware of any employees of the Third Party representing a heightened risk, for example by being a public official or having previous convictions for bribery or corruption?			
10	Are any of the Directors of the Company barred from acting as Directors in the country or countries with which they may operate with Soletec?			
11	Is the Third Party being used on the insistence of the Client?			
12	Is the Third Party offering a new contract to Soletec in a private or negotiated capacity rather than through open tender?			
13	Does the Third Party lack the resources or experience to deliver the services which it is seeking to provide or has the risk assessment been unable to verify the experience?			
14	Is the Third Party seeking to act as an agent or intermediary between Soletec and government authorities or services			
15	Is the Third Party seeking to divert payment to offshore accounts outside the jurisdiction where the services are being provided?			
16	Is the Third Party requesting to be paid into a personal bank account?			
17	Has the Third Party failed to provide assurances that It is committed to the principle of preventing bribery and corruption in its business dealings with Soletec?			

No.	Question	Yes	No	Don't know or N/A
18	Has the Third Party refused to be bound by Soletec standards for the prevention of bribery and corruption (either this standard if appropriate, for example in a Joint Venture, or the Code of Business Conduct) or by a standard mutually agreed and comparable to this standard?			
19	Is the Third Party offering connections to government officials that suggest it has special access to information regarding government tenders?			
20	Is the Third Party seeking a sole or exclusive relationship that would place it in a position to circumvent normal market controls?			
21	Has the Third Party obstructed in any way any request for information or failed to provide information that has been requested without good reason?			
22	Is the Third Party a shell or fronting company with little or no substance to deliver the services for which it is being considered?			
23	Is the Third Party seeking payment for introducing government officials or for providing contacts within government departments?			
24	Is the Third Party known to be closely connected to political organizations?			
25	Are there any conflicts of interest between the Third Party and its auditor or is there no obvious auditor for the Third Party?			
26	If requested of the Third Party, has the Third Party expressed an unwillingness to sign the relevant Third Party Certification?			

No.	Question	Yes	No	Don't know or N/A
27	If requested of the Third Party, has the Third Party expressed an unwillingness to accept contractual conditions relating to bribery and corruption including:			
A	A commitment to observe laws regarding the prevention of bribery and corruption and to abide by the standards mutually agreed between Soletec and Third Party			
B	Acceptance of the right to suspend payment on the basis of substantial allegations of the bribery and corruption			
C	Acceptance of the right to terminate in the event of bribery and corruption being proved			
D	Acceptance of the right to audit on the grounds of a suspicion of bribery and corruption			
28	Has the risk assessment indicated a level of risk that requires discussion with Group or for which the high risk procedure of contractual protections and certifications may be insufficient to protect Soletec from involvement in briber or corruption?			

The risk assessment questionnaire once completed should be recorded on file, kept for a period of at least 5 years (or until it is refreshed if sooner) and be available for audit purposes.

## HIGH RISK FACTORS

A Third Party will represent a high risk if any of the following conditions apply:

AAA. The Principal or parent company registration is to a high risk country (these are listed in Appendix A)

BBB. It is wholly or partially owned by the government or by a ruling family

CCC. It has Directors or Shareholders who are public officials

DDD. It is acting as an agent or intermediary between Soletec and public officials or authorities of a high risk country

EEE. It has Directors or Shareholders who are under investigation for or who have been prosecuted for, acts of bribery or corruption or other matters who may otherwise have a potential conflict of interest.

FFF. It has proven impossible to determine the names of the Company Directors or ultimate ownership structure of the Company

GGG. It has refused to be bound by any standards in respect of bribery and corruption or to acknowledge an obligation to observe our standards in its contractual dealings with Soletec

HHH. It has requested payment outside the jurisdiction where the services are being provided

III. There are other "red flags" that have emerged from the risk assessment process which are sufficient to give the Business Unit Risk Review Committee or the Director for risk and compliance matters cause for concern. This is a Judgment based on the overall findings of the risk assessment procedure.

## APPENDIX C – CONTRACT WORDING FOR HIGH RISK THIRD PARTIES

The contract wordings below should be included in all contracts that require a formal Risk Assessment to be conducted. These wordings may be modified provided that the modification does not change the substance of the contract provision.

It is good practice to extend these contractual provisions to other Third Parties for which a formal Risk Assessment is not required but it is not an obligation of this Standard that this is done.

### **For Joint Ventures (to govern the conduct of the joint venture company) and Consortium Arrangements (to govern the conduct of the consortium parties)**

1. In performance of the Services, [x] shall abide, at all times, by Soletec Standard for the Prevention of Bribery and Corruption as set out in the Standard for the Prevention of Bribery and Corruption and Soletec Code of Business and Conduct (copies of which x is deemed to have received, read and understood) from time to time in force, or such other standard as mutually agreed between the Parties in writing.
2. [During the term of this Agreement, [x] shall implement [at its own cost]an anti-bribery and corruption programmed as approved by Soletec and further, shall allow Soletec to review such programmed and further, shall comply with Soletec reasonable directions in respect of the same. [Note: This may be acceptable in relation to the joint venture company where an incorporated joint venture is intended but it is recognized that it is likely to be unrealistic in relation to consortium parties.]
3. Soletec reserves the right to audit [x] and gain access to its books and records relating to the Contract upon reasonable notice. [x] shall co-operate fully with such audit even after termination of this Agreement, howsoever arising. If Soletec is investigated by any authority as a result of any allegation of improper practices by [the JVC/Consortium Parties] or in connection with the Services, [x] shall co-operate fully with such investigation even after termination of this Agreement, howsoever arising.
4. Notwithstanding any other provision of this Agreement, a breach by [x] of Article [x]shall entitle Soletec to terminate this Agreement.
5. Notwithstanding any other provision of this Agreement, if this Agreement is either terminated by Soletec as a result of a breach by [x] of the terms of Articles [x] and [x] if this Agreement, then without prejudice to any other rights which Soletec has or may have under this Agreement, no further amounts shall be payable to [x] under this Agreement.
6. As and whenever requested by Soletec (but at least on an annual basis), [x] shall confirm in writing in a form to be provided by Soletec its compliance with Soletec Standard for the Prevention of Bribery and Corruption and Soletec Code of Business Conduct and shall notify Soletec immediately upon becoming aware of any breach thereof.

### **For agent Consultants**

7. [x] agrees that at all times in relation to the performance of the Services it shall and it shall procure that its directors, officers, employees, subcontractors, agents and consultants shall observe and abide by the Soletec Code of Business Conduct (the "Code"). [x] Hereby confirms that it has received a copy of the Code and has understood, and has drawn the attention of its directors, officers, employees, subcontractors, agents and consultants to, its provisions. As and whenever requested by Soletec (but at least on an annual basis), [x] shall confirm its compliance with this provision in writing in a form to be provided by Soletec and shall notify Soletec immediately upon becoming aware of any breach of the Code.
8. Notwithstanding any other provision of this Agreement, if this agreement is either terminated by Soletec as a result of a breach by [x] of the terms of Articles [x] and [x] of this Agreement, then without prejudice to any other rights which Soletec has or may have under this Agreement, no further amounts shall be payable to [x] under this Agreement, and any amounts previously paid to [x] shall immediately due and repayable to Soletec from [x]. Soletec shall be entitled to take such steps as it deems necessary for the recovery of the amounts paid to the [x] together with all cost associated with recovering the same.
9. [x] hereby represents and warrants that under no circumstances has either [x] or any Principal (as hereinafter defined) paid out monies, or will pay out monies, or furnish other consideration of any kind to any Third Party to influence the Award of any Contract to Soletec. A breach by [x] of Article [x] shall entitle Soletec to terminate this Agreement with immediate effect.
10. Soletec reserves the right to audit [x] and gains access to its books and records relating to the Contract upon reasonable notice. [x] shall co-operate fully with such audit even after termination of this Agreement, howsoever arising. If Soletec is investigated by any authority in connection with any allegation of improper practices involving [x] or its affiliates or the subject matter of this Contract, [x] shall co-operate fully with such investigation even after termination of this Agreement, howsoever arising.
11. [x] on its behalf and on behalf of its actual owners in interest, beneficial owners, stockholders, employees, officers and directors and consultants, if any (in this Article independently referred to as a "Principal" and collectively as "Principals") represents, covenants, agrees and undertakes as follows:
  - (a) that in the course of performing the Services under this Agreement, Principals shall not:
    - i. directly or indirectly offer or agree to pay out money or to offer anything of value to any government official, political party or official thereof or any candidate for political office, in order to influence or induce the award of any contract to Soletec;
    - ii. in any other way violate the laws, rules or regulations of any country having jurisdiction over the subject matter of this Agreement or over the Services, including the country in which the Services are to be rendered or payments to [x] are to be made.
  - (b) that no principal or any member of the immediate family of any Principal is or will become a government official or official of a political party or candidate for political office during the term of this agreement; and

(c) that in connection with the performance of this Agreement, no Principal has purchased or sold (or agreed to purchase or sell) goods or services from any individual or entity, the payment for which will go, directly or indirectly, to a government official or candidate for a government office or any relative or designee of any such individual.

**For other high risk third parties (e.g. vendors, sub-contractors, etc.)**

12. In performance of this Agreement, [x] shall abide, at all times, by Soletec Code of Business Conduct from time to time in force a copy of which x is deemed to have received, read and understood.
13. Soletec reserves the right to audit [x] and gain access to its books and records relating to the Contract in the event that [x] is investigated any authority as a result of any allegation of improper practices in respect of the Services or if Soletec has reasonable ground(s) to believe that [x] has engaged in improper practices. [x] shall co-operate fully with such audit even after termination of this Agreement, howsoever arising. If Soletec is investigated by any authority as a result of any allegation of improper practices by [x] or its affiliates or in relation to the subject matter of the Contract, [x] shall co-operate fully with such investigation even after termination of this Agreement, howsoever arising.
14. Notwithstanding any other provision of this Agreement, a breach by [x] of Article [x] shall entitle Soletec to terminate this Agreement with immediate effect.
15. Notwithstanding any other provision of this Agreement, if this Agreement is either terminated by Soletec as a result of a breach by [x] of the terms of Articles [x] and [x] of this Agreement, then without prejudice to any other rights which Soletec has or may have under this Agreement, no further amounts shall be payable to [x] under this Agreement.
16. As and whenever requested by Soletec (but at least on an annual basis), [x] shall confirm in writing in a form to be provided by Soletec its compliance with Soletec Code of Business Conduct and shall notify Soletec immediately upon becoming aware of any breach of the same.