



Revision Number 02

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## CODE OF BUSINESS CONDUCT

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## 1 Purpose

The purpose of this Code is to:

- (a) set the standard of behaviour expected of Employees both in terms of working within the business and as Saunders representatives; and
- (b) promote ethical behaviour within the business.

## 2 Scope

The Saunders International Limited Code of Conduct governs all Saunders commercial operations and the conduct of Directors, senior executives, employees, consultants, contractors and all other people when they represent Saunders.

## 3 Definitions

**Saunders** – Saunders International Limited and its subsidiary companies

**Employees** – Any person who works under a contract of employment with Saunders or is otherwise engaged to work with Saunders including, for the purposes of this policy, executive and non-executive directors, officers, employees and contractors, consultants and any other person representing Saunders.

**Line Manager** – a supervisor, superintendent, manager, and General Manager etc with a direct reporting relationship with a worker.

## 4 Policy

At Saunders we recognise that the way in which people within our organisation interact and the Standards of behaviour they adopt will determine our future business success. The Code of Business Conduct outlines the key standards and principles which all Employees must adhere to when conducting business on behalf of Saunders.

The Code of Business Conduct (Code) is founded on always conducting our business with integrity and demonstrating a true commitment to safety, innovation, and growth to deliver enhanced value to our clients and shareholders.

Saunders is committed to operating ethically, honestly, responsibly, and legally in all its business dealings. Accordingly, Saunders requires Employees to act in its best interests in a professional, honest, and ethical manner, and in full compliance with the law, both within and on behalf of Saunders.

The business affairs and records of Saunders are to be treated as confidential and used solely for the purposes of undertaking legitimate Saunders work.

Employees are required.

- to work in a manner that ensures the safety and health of themselves and others in the workplace
- to treat all other Employees and persons whom they deal with on behalf of Saunders, with respect and dignity and to not subject any person to harassment or discrimination
- to exercise care towards Saunders property
- to avoid conflict of interests between their private activities and their Saunders responsibilities

#### **4.1 Health, Safety, Environment and Community**

Employees are expected to take all reasonable actions to assist Saunders to adhere to meet its occupational health and safety objectives including:

- eliminating all work-related injuries and occupational illnesses;
- care for the environment, and
- meet its responsibilities to the community.

Employees are required to work in a manner that ensures the safety and health of themselves and others in the workplace. They are also expected to perform their duties in accordance with the legal duty of care and statutory obligations.

#### **4.2 Environment**

Saunders is committed to doing business in an environmentally responsible manner and identifying environmental risks that may arise out of its operations. If you are aware of our suspect, an action that is not environmentally responsible and/or in breach of the applicable laws and regulations, report the matter immediately to your Line Manager or the Managing Director.

#### **4.3 Personal Behaviour**

Employees are expected to treat all other Employees and persons with whom they deal with on behalf of Saunders with respect and dignity and to not subject any person to harassment or discrimination. When communicating with other Employees and/or persons, Employees are to respect the dignity of the individual and to reflect this in their manner. Specifically, Employees will not engage in aggressive, threatening or insulting behaviour towards others.

Employees are expected to operate in an honest and ethical manner and comply with the terms and conditions of their employment contract and all Saunders policies.

Employees must be honest in their claim of holding qualifications or certificates and ensure that such qualifications are necessary for their employment with Saunders and work experience are updated where required.

#### **4.4 Compliance with the Law**

All Employees are required to perform their duties in compliance with all relevant laws and regulations in Australia and in the jurisdictions in which Saunders' operations and activities are being undertaken. While a detailed knowledge of the law is not required, Employees are expected to be aware of, and understand, the key legal provisions pertaining to their role. Where assistance is required, a legal representative should be consulted.

#### **4.5 Contractual Obligations**

All Employees must take actions necessary to ensure that Saunders meets its obligations to other Employees and external parties that result from contractual arrangements applying to Saunders. Employees must act in a fair and reasonable manner in the negotiation and administration of contracts with third parties. Harsh, oppressive, unethical, coercive, or dishonest behaviour is unacceptable.

#### **4.6 Protection and Use of Saunders and Third Party Property**

All Employees are expected to exercise care towards Saunders property which includes buildings, computer hardware, networks and software, vehicles, stocks of materials, tools, equipment, cash etc. and to report any misuse or neglect to their Line Manager.

Saunders property is not to be used by Employees for personal purposes or taken off site without the prior approval of their Line Manager or without following specific approval and procedural requirements where these are contained in policies applying to such property.

Third party property, which is entrusted to the care, custody or control of Saunders, should be treated in the same manner as Saunders property. Property supplied by clients or purchased by an alliance, of which Saunders is a party, must be returned, disposed of, or acquired by Saunders in a fully transparent manner.

Saunders IT equipment should not be used for gambling or accessing inappropriate sites or posting company related information on social media without authorisation.

#### **4.7 Confidentiality, Disclosure and Use of Saunders Information**

The business affairs and records of Saunders are to be treated as confidential and used solely for the purposes of undertaking legitimate Saunders work. Only authorised Employees may release Saunders information to third parties (with prior consent of the Managing Director). This requirement continues after employment ceases. Employees should refer to the confidentiality undertakings contained in their employment contract.

#### **4.8 Action within Authority**

The Saunders Authority Matrix details authority levels and limits. Employees are expected to be aware of the limits of their authority:

- to commit Saunders to financial or other obligations.
- to speak on behalf of Saunders

and to act solely within such limits. Where doubt exists, employees are required to consult their Line Manager.

#### **4.9 Conflict of Interests**

Employees are required to avoid conflict of interests between their private activities and their Saunders responsibilities and not take improper advantage of their position at Saunders or of information obtained in the course of their employment by Saunders. Employees are required to disclose actual or potential conflicts to their Line Manager including the following:

- holding an interest directly or indirectly in any property in which Saunders holds or proposes to acquire an interest;
- undue concentration on outside activities to the detriment of fulfilling their employment contract with Saunders;
- involvement (directly or through a family member or associate) with a business which is a customer, client, supplier, contractor, consultant, competitor, dealer, distributor, or agent of Saunders; and
- Involvement (directly or indirectly) in a recruitment and selection process where a real or perceived conflict of interest occurs eg family or friendship with an applicant, close working relationship with an applicant, financial interests (either in an applicant or outcome) or an acrimonious relationship with an applicant

In circumstances where an Employee might be involved in a Saunders decision relating to a business activity in which the Employee has an interest or where the outcome of the decision could benefit the Employee or a family member, the Employee should notify their Line Manager and refrain from participating in the decision-making process.

#### **4.10 Accuracy of Business Records**

All documents and records of a financial or statistical nature, including business expenses, are required to be fully and accurately prepared, and presented in a timely manner. Deliberate falsification of any portion of any business document or record is totally unacceptable.

#### **4.11 Criminal Behaviour**

In addition to being a breach of expected behavioural standards, criminal behaviour associated with employment or undertaken on Saunders premises (e.g. theft or misappropriation of money or property belonging to Saunders, or to other people within Saunders premises) shall be reported to the police authorities for investigation and potential criminal proceedings.

#### **4.12 Trading in Securities**

The Corporations Act (Cth) contains provisions which prohibit a person in possession of material, non-public information relating to a company from dealing in any way with shares, options or other securities issued by that company. It is possible that through employment with Saunders, Employees may be party to such information. Accordingly, Employees may only buy, sell or otherwise deal in

Saunders shares, either directly or through a third party, strictly in accordance with the Saunders Securities Trading Policy.

#### **4.13 Dealing with Auditors**

Employees are required to co-operate fully with both internal and external auditors of Saunders and must not:

- make a false or misleading statement to auditors; or
- conceal any relevant information from auditors.

#### **4.14 Knowledge of Saunders Policy and Procedures**

Employees are required to know and understand Saunders policies and procedures relevant to their role and act within the limits established therein as they apply to specific work responsibilities.

#### **4.15 Equal Employment Opportunity**

Saunders is an Equal Employment Opportunity employer. All employees are treated on their merit, without regard to race, age, sex, marital status or any other factor not applicable to the position.

Employees are valued according to how well they perform their duties, and their ability and enthusiasm to maintain our standards of service. Saunders considers discrimination as an unacceptable form of behaviour and will not tolerate any form of discrimination. We believe all employees have the right to work in an environment free of discrimination.

#### **4.16 Harassment and Bullying**

Saunders is committed to ensuring a healthy and safe workplace that is free from workplace harassment and bullying. Workplace harassment is unacceptable and will not be tolerated under any circumstances.

Harassment and bullying is any uninvited, unwelcome behaviour or conduct that may offend, humiliate or intimidate. Harassment and bullying may be intentional or unintentional and might be one or a number of incidents.

Saunders considers sexual harassment an unacceptable form of behaviour that will not be tolerated under any circumstances. We believe all Employees have the right to work in an environment free of sexual harassment. Sexual harassment is any unwelcome conduct of a sexual nature where a

reasonable person would have anticipated that conduct would be offensive, humiliating or intimidating. Sexual harassment can be a single incident or a series of inappropriate actions. Some actions or remarks constitute sexual harassment in themselves, even if they are not repeated.

Saunders requires that Employees not tolerate sexual harassment, workplace harassment, bullying or any other form of unacceptable or discriminatory behaviour and to report any such incidences to your Line Manager or a Human Resources representative.

#### **4.17 Victimization**

Saunders is committed to providing a workplace free of victimisation. Saunders will take all complaints of victimisation very seriously, undertake fair and thorough investigations and will take disciplinary action against any Employee found to have victimised another. Victimization is when a person is treated unfairly because they have reported an incident such as harassment or discrimination or assisted another in making a complaint.

#### **4.18 Whistleblower Protection**

Saunders recognises that achieving a culture of openness, honesty and accountability will be assisted by an effective approach to whistleblower protection to encourage personnel, as well as external parties, to bring to the attention of management any conduct that is unethical, dishonest, fraudulent, corrupt, illegal or otherwise unacceptable.

#### **4.19 Certificate of Compliance**

The Managing Director and employees charged with the overall management and financial responsibilities of any Saunders Division or subsidiary are required to certify, on an annual basis, compliance with this policy personally and in relation to their areas of responsibility.

#### **4.20 Bribery and corruption**

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Bribes can take on many different shapes and forms, but typically there will be a “quid pro quo” – meaning that both parties, or a party’s designate, will benefit. A bribe could be:

- The direct or indirect promise, offering, or authorisation, of anything of value (whether the value is material or not);
- The offer or receipt of any kickback, loan, fee, reward or other advantage; or
- The giving of aid, donations or voting, designed to exert improper influence.

Acts of bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duty. For the purposes of this policy, whether the target of the act of bribery works in the public or private sector is irrelevant. Corruption is the misuse of office or power or influence for private gain. Bribery and corruption are morally wrong and could seriously damage Saunders reputation. Bribery is a criminal offence in Australia and in many other countries and any bribery or corrupt act could expose Saunders and its employees to the risk of prosecution, fines and imprisonment both locally and abroad. Saunders will apply a “zero tolerance” approach to acts of bribery and corruption by any Employee. Any breach of this policy will be regarded as a serious matter by Saunders and will result in disciplinary action including termination of employment or contract.

#### **4.21 Gifts, entertainment and hospitality**

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they:

- fall within reasonable bounds of value (A\$250 or less) and occurrence;
- do not influence, or are not perceived to influence, objective business judgement; and
- are not prohibited or limited by applicable laws or applicable industry codes.

Employees must not accept gifts or entertainment where to do so might influence, or be perceived to influence, objective business judgement.

As a general rule, Employees should not provide any gifts to, or receive them from, government officials. With the prior approval of the Executive, rare exceptions may be permitted where a gift is an important local/cultural custom, and any such gift is permitted under applicable law and is of nominal value.

*How to evaluate what is “acceptable”:*

First, each Employee must take a step back and ask the following when giving or receiving any gift, entertainment or hospitality:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were reported on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If an Employee finds it difficult to positively answer one of the above questions, there is a risk involved that the gift, entertainment or hospitality could be, or could appear to be, improper and could potentially damage Saunderson's reputation and business. The action could well be unlawful.

Although no two situations are the same, the following guidance should be considered:

*Never acceptable*

Circumstances which are never permissible include examples that involve:

- A “quid pro quo” (a benefit or advantage offered for something in return);
- Gifts in the form of cash/or cash equivalent vouchers;
- Entertainment of a sexual or similarly inappropriate nature; or
- Making incomplete, false or inaccurate entries in Saunderson's books and records.

#### **4.22 Facilitation Payments**

It is Saunderson's policy that facilitation payments must not be made. A facilitation payment is a small payment made to a government official to secure or expedite the performance of a routine or necessary action (for example, the issue of a permit or license) to which the payer of the facilitation payment is entitled.

#### **4.23 Political Donations, Charitable Donations and Sponsorships**

Saunderson's philanthropic activities aim to address Saunderson's responsibilities as a ‘good corporate citizen’ and to further its contribution to the communities in which it operates.

Saunderson will continue to support bona fide community events and enterprises, projects and local charities and schools, particularly in remote rural areas. Any direct or indirect contribution to any political party, organisation or individual engaged in politics must be approved by the Saunderson Chairman. Saunderson must ensure that any charitable contribution or sponsorship is not being used as a subterfuge for bribery.

All political donations, charitable donations and sponsorships must be made in accordance with applicable local laws and regulations and in accordance with Saunderson Authority Matrix.

#### 4.24 Use of Third Party Representatives

For the purposes of this policy, the term “third-party” includes anyone who is not a Saunders employee or Saunders official (e.g. Board Member). As such, a “third-party” includes agents, distributors, consultants and joint venture partners. Risk can be identified where a third party conducts business activities on Saunders behalf or distributes Saunders products, so that the result of their actions can be seen as benefiting Saunders. Third-parties who act on Saunders behalf or distribute

Saunders products must operate at all times in accordance with this policy. Line Managers are responsible for the evaluation of each third-party relationship and assessing risk. Where potential risk regarding a third-party arrangement has been identified, Line Managers must:

- Evaluate the background, experience, and reputation of the third-party;
- Understand the services to be provided, and methods of compensation and payment;
- Evaluate the business rationale for engaging the third-party;
- Take reasonable steps to monitor the transactions of the third-party;
- Ensure there is a written agreement in place which acknowledges the third-party’s understanding of and compliance with this policy; and
- Establish a process to conduct regular reviews of the third-party’s ongoing understanding and compliance with this policy.

#### 4.25 How to Raise a Concern

All Employees have a responsibility to help detect, prevent and report instances not only of bribery and corruption, but also of any other suspicious activity or wrongdoing in connection with Saunders business.

An Employee may report the issue/concern to their Line Manager or the Managing Director in the first instance. If for some reason it is not possible to speak to the Managing Director, then the issue/concern should be reported to, the Company Secretary, or a Director.

In the event that an incident of bribery, corruption, or wrongdoing is reported, Saunders will act as soon as possible to evaluate and investigate the situation.

In addition to any internal procedures, a matter may be referred to an appropriate government enforcement agencies. Any questions about these procedures should be directed to the Managing Director.

### 5 Roles and Responsibilities

#### *Role Accountability*

The **Managing Director** provides advice to Employees on matters related to this policy. Dealing with any concerns or investigations on matters relating to this policy. Thoroughly, fairly and impartially investigate complaints made under this policy.

**Line Managers** should communicate and implement this policy and monitor compliance within their areas. Ensuring their own behaviours, actions and decisions and those of others in leadership roles within their areas are strictly in accordance with this policy. Providing advice to Employees seeking assistance in interpretation of this policy (eg. potential conflict of interest, gifts etc) or ensuring that advice is provided where any doubt arises. Where bribery and corruption risks are identified by Line Managers, they should be managed in line with Saunders established risk management framework and they must ensure that books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each and all underlying transactions. Line Managers must also take the necessary steps to maintain an effective system of internal control and monitoring to prevent bribery and corruption. This must include education and training of employees.

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**Employees** should understand the content, meaning and intent of this policy. Proactively seeking guidance where any doubt arises. Complying with all elements of this policy. Bringing to the attention of their Line Manager any practices or behaviour considered to be in breach of this policy.