

# Anti-Bribery and Corruption Policy

July 2023



**NAVALO**  
Financial Services Group

# Overview

Our Anti-Bribery and Corruption Policy sets out our commitment to ethical and honest business practices.

## 1. Background

The Navalo Financial Services Group Limited ('Navalo', 'us', 'our' or 'we') Code of Conduct commits Navalo to doing business in an honest and ethical manner. Also, the Board expects that we act professionally, fairly and with integrity in all our business dealings and relationships. This includes strict compliance with applicable anti-bribery and corruption laws: we take a zero-tolerance approach to bribery and corruption and ensure we have effective systems to counter bribery and corrupt practices committed by or involving our staff or other representatives, or those we do business with.

The purpose of this document is to set out Navalo's policy for combatting bribery and corrupt behaviours and the procedures which are in place to prevent members of Navalo's board of Directors ('Board') staff, contractors, agents and others associated with, dealing with or representing Navalo and all the Navalo group of companies ('Navalo Group') owned and operated brands from engaging in or otherwise being a party to bribery or corrupt conduct.

While Navalo is aware that many overseas jurisdictions have bribery and corruption laws that may potentially apply in some circumstances, as a domestic Australian business, Navalo does not presently have any operations or other focus outside of Australia.

This Policy is issued with the authority of the Navalo Board .

All changes must be approved by the Board.

The Head of Compliance may issue procedures under this Policy to address legal and operational requirements.

## 2. Policy Statement

Navalo requires all Team Members (see definition in Section 3) to perform their duties honestly and comply with all laws that apply to Navalo and Navalo Group activities, including those relating to anti-bribery and corruption. Navalo prohibits:

- a) giving, offering, promising, authorising, agreeing to receive or accepting, or requesting of a bribe (see definition in section 5.1);
- b) the payment or receipt of secret commissions; and
- c) all forms of corruption.

## 3. Application of the Policy

This Policy applies to all Navalo Team Members, wherever they are located.

In this Policy, 'Team Members' includes directors, employees, consultants, contractors and other representatives of Navalo.

## 4. Who is responsible for this policy?

The Board has overall responsibility for ensuring this Policy complies with Navalo's legal and ethical obligations and for overseeing its effective implementation and operation.

The Head of Compliance has primary and day-to-day responsibility for implementing this Policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective.

Each Manager is responsible for ensuring those reporting to them understand and comply with this Policy and complete any required training.

The Navalo General Counsel is responsible for enforcement of this Policy.

## 5. Types of Corruption

Corruption is the abuse of entrusted power or position for private gain. There are many types of corruption including:

### 5.1. Bribery

Promising or giving or requesting a benefit (financial or otherwise) to a person, or receiving such a benefit to:

- a) improperly influence the recipient, or another person, in order for the giver, or another person, to obtain or retain a business or personal advantage; or
- b) induce or reward the improper exercise or performance of a position of trust, or a function that is expected to be performed impartially or in good faith, including that of a Public Official (see definition in Section 5.4).

*Example: Navalo IT manager is given free use of a luxury European sports car by a major IT services provider on the implicit understanding that she will 'make the right decision' in relation to an upcoming tender.*

*Example: A senior manager at a global online auction house asks for Australian Open tickets in exchange for arranging a meeting with the Navalo Head of Operations in Australia.*

## 5.2. Facilitation Payments and Kickbacks

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action. Facilitation payments are generally illegal under Australian law and not permitted by Navalo under this Policy.

Kickbacks are typically payments made in return for a business favour or advantage.

*Example: Navalo is currently considering the consumer lending market in a Pacific Island Nation but needs a credit licence under the local law. The Administrative Officer in the Licensing Branch of the Department of Finance in this country advises that for a small fee payable in cash Navalo's application will receive expedited and favourable treatment. The Navalo Sales Manager is aware that competitors that have not paid the fee have waited years to be rejected.*

We do not make, and will not accept, facilitation payments or “kickbacks” of any kind, and facilitation payments must not be paid to anyone on our behalf, including to any Public Official.

Our Team Members must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by us or on our behalf, or that might suggest that such a payment will be made or accepted.

## 5.3. Secret Commissions

Secret commissions typically arise where gifts, payments, or something else of value are offered, given or made (typically as an inducement) to an agent or representative of another person (such as a Navalo staff member or a supplier to Navalo) which is not appropriately disclosed. These payments may be, or be seen to be, bribery of the agent or representative to corruptly influence outcomes in Navalo's favour and are illegal under Australian law.

### **Example: No merchant relationship**

*A Navalo Sales Manager networks with the Head of Sales at a major Department Store and encourages them to use their position to influence the CEO to partner with Navalo as its Consumer Finance provider. The Navalo Sales Manager deposits \$1,000 in the personal account of the Head of Sales, as a thank you. This incentive may have been a factor in the recommendation by the Head of Sales and therefore is likely to be a secret commission if it is not formally disclosed to Department Store management.*

**Example: Existing merchant relationship**

*A Navalo Sales Manager networks with the sales staff at a major Department Store and encourages them to prefer Navalo as a payment channel over its competitors. The Navalo Sales Manager provides informal sales incentives to sales representatives at the store to sign up new customers to Navalo but does not mention this to Department Store management. Customers also remain unaware that the sales staff referring them to Navalo receive an incentive for this suggestion. This incentive is likely to be a secret commission if it is not formally disclosed to the Department Store management and the customer.*

## 5.4. Other Considerations

The benefit can be direct or indirect. Team Members must not engage in (or attempt) any form of direct or passive bribery themselves, or through a third party (such as a Navalo Merchant).

Although it is irrelevant whether the payee or recipient of the bribe works in the public or private sector, relationships with Public Officials are subject to special scrutiny and must be conducted with extra care.

For the purposes of this Policy, a Public Official includes anyone in the service on a full or part time basis of a government, statutory authority or a wholly or partially state-owned enterprise. This includes:

- a person performing the duties of a statutory or official position under a law or custom, including a politician, judge, or member of a state, province, or national legislature;
- a political party, party official or candidate for public office;
- a person in the service of an international organisation (such as the United Nations);
- an individual who is, or who holds himself or herself out to be, an intermediary of a Public Official;
- a member of a royal family; or
- a commercial entity, or the directors, officers or employees of a commercial entity, in which a government body has a significant ownership interest or over which it otherwise exerts control.

It is also irrelevant whether the bribe is accepted or ultimately paid. Offering a bribe is a contravention of this Policy and is likely to be illegal.

All Team Members must not do anything dishonest causing actual or potential financial loss to anyone, including:

- theft or stealing;
- intentionally creating or using falsified Navalo records or documentation;
- concealing or destroying Navalo records or documentation; and
- the improper use of Navalo information or their position at Navalo for personal gain.

## 6. Gifts, Hospitality and Expenses

Team Members may offer, give or accept reasonable, proportionate and genuine gifts and entertainment for the purposes of:

- a) establishing or maintaining business relationships;
- b) improving or maintaining Navalo's image or reputation; or
- c) marketing or presenting Navalo's products or services.

Giving and accepting gifts and entertainment is allowed only if:

- a) it is not made with the intention of influencing a third party to obtain or retain business or personal advantage, or to reward the provision or retention of business, or in explicit or implicit exchange for favours or benefits;
- b) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- c) it is customary and appropriate in the circumstances, taking account of the reason for the gift, its timing and value. For example, in Australia it is customary for small gifts to be given at Christmas; and
- d) it does not exceed A\$200 in value.

Any gift, entertainment / hospitality, or other personal favour or assistance given or received which has a value in excess of A\$200 in value (or any other amount determined and announced by the Board) must be approved by the Navalo CEO and entered into the Gifts and Entertainment Register. In the course of determining approval, the Navalo CEO will liaise with the relevant business unit leader where required. The register will be maintained and reviewed for compliance with this Policy by Compliance with periodic second line review by Navalo Risk or Audit teams as appropriate.

In all cases the gift or entertainment must;

- a) be given openly, not secretly;
- b) comply with applicable law; and
- c) be documented, including the approvals given and value, in the Gifts and Entertainment Register maintained by the Head of Compliance.

Reimbursing a third party's expenses, or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.

The test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.

The Gifts and Entertainment Register will be regularly reviewed by the Head of Compliance in consultation with the General Counsel for indications of potentially improper patterns of conduct.

## 7. Political and Charitable Donations

We do not make donations to political parties.

Navalo is committed to the communities in which it does business and may make donations to registered or locally recognised charities in accordance with legal requirements. No donation must be offered or made without the prior written approval of the Chief Financial Officer and Chief Risk Officer.

This Policy does not prevent donations of a Team Member's own funds or time, in a personal capacity.

## 8. Financial Records

It is critical that Navalo maintains complete and accurate accounting and financial records.

Navalo's policy is to maintain a system of internal accounting controls and make and keep books and records which accurately and fairly reflect in reasonable detail the parties, payment arrangements and the purpose of all transactions and disposition of assets.

We do not keep "off-book" accounts to facilitate or conceal improper payments.

We prohibit the making of cash payments of any kind to any third-party, other than documented petty cash disbursements or other valid and approved payments.

## 9. Training

All Team Members must complete anti-bribery and corruption training on commencement and regular refresher training thereafter.

## 10. Breaches of this Policy

If Team Members are uncertain about whether something is an unacceptable bribe or an acceptable gift or act of hospitality, they must seek advice from the Head of Compliance before proceeding.

Breaches of this Policy may lead to remedial action, including restitution of any benefits received and/or further training requirements, or disciplinary action ranging from verbal or written warnings up to and including immediate termination of employment or engagement.

Individuals contravening this Policy may also be subject personally to criminal prosecution and civil action leading to imprisonment or significant financial penalties.

### If you have a concern – 'CALL IT OUT'

All Team Members are expected to be aware of the risks of fraud, corruption, bribery and other improper payments. Navalo supports any Team Member wishing to report any honestly-held suspicion of non-compliance with this Policy.

Team Members can report concerns by following the procedures set out in Navalo’s Whistle-blower Policy. Team Members can complete the ‘Call-it-Out’ form on the Company’s Intranet.

All concerns raised will be handled in accordance with Navalo’s Whistle-blower Policy, available at [www.navalocom.au/investors/corporate-governance](http://www.navalocom.au/investors/corporate-governance).

## 11. REVIEW OF POLICY

Navalo will review this Policy at least every two years to ensure that it is operating effectively and make any changes as required.