CLR P-2	BUSINESS INTEGRITY		
Department Owner	CLR	**Date Approved**	08/12/2015
Internal Queries	BMS@smec.com	**Data Due to be Reviewed**	08/12/2018

Purpose	SMEC's Code of Conduct establishes a common understanding of the standards of behaviour expected of all SMEC Group Employees in the performance of their duties. Contraventions of laws or funding agency requirements relating to fraud, bribery or corruption could expose SMEC Group to severe financial penalties, blacklisting by some clients and funding agencies, adverse publicity and resulting reputational harm and substantial loss of business and revenue. This Policy outlines a range of requirements which are designed to reinforce the standards of behaviour required by the Code of Conduct and to combat the risks that fraud, bribery and corruption and other illegal or unethical business practices could pose to SMEC's business.
Applicable To	This policy is applicable to: • All SMEC employees • All third party contractors, volunteers and consultants engaged by SMEC
Definitions, Abbreviations and Acronyms	Bribery- means giving, offering, soliciting or receiving a Benefit that is not legitimately due to the recipient to influence the behaviour of any person to obtain commercial advantage for SMEC. Benefit- means anything of value. It can be non-monetary or non-tangible. It does not need to be provided or offered directly to someone (that is, it can be provided or offered to another person). It can also be provided or offered by an agent or Third Party Representative. It includes cash payments, gifts, hospitality, travel, accommodation, favours, employment and business opportunities. CEO- means SMEC's Chief Executive Officer. CM- means a Country Manager. COO- means a Chief Operating Officer. Collusive Practice- means an arrangement between two parties designed to achieve an improper purpose, including to influence improperly the actions of another party. Corruption- means the abuse of a position of employment or trust to gain an advantage in contravention of duty. It includes the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party or to act in any way which could be to the disadvantage of the SMEC Group. Employee- means all those who work for, act on behalf of or represent the SMEC Group including SMEC Group employees, directors and other officers, contractors and consultants (where they are under a relevant contractual obligation) and Third Party Representatives. GCHC- means SMEC's General Counsel/Head of Compliance Public Official- includes any of the following: • any official or employee of, person acting in an official capacity for or on behalf of, or individual performing work under a contract for or who is otherwise in the service of, any: o Government or Government department, agency or instrumentality; o Government-owned or controlled corporation or enterprise; or o public international organisation including any donor or lender of

	development funding; • any person holding or performing the duties of an appointment, office or position under any law; • any individual who holds or performs the duties of an appointment, office or position created by custom or convention of a country or of part of a country; • any candidate for a political party or for political office; • any political party, official of a political party or funding organisation for a political party. RDs- means a Regional Director. RM- means a Regional Manager. SMEC- means SMEC Holdings Limited. SMEC Group- means SMEC and any of its controlled subsidiaries. Third Party Representative- has the meaning given in the Procedure for Engagement and Use of Third Party Representatives.
Content	Prohibition of bribery and corruption Gifts, hospitality, entertainment, travel, accommodation Political donations Charitable donations Fraudulent Practices Recording of transactions Partner evaluation Conflicts of interest and internal corruption Collusive Practices Bribery and corruption risk analyses Commitment of SMEC Management Training Annual review of Policy Raising a concern in relation to this Policy Monitoring and reporting Reporting of suspected contraventions Breaches of the Policy Encouragement of Associated Companies to adopt the Policy

TOPIC	DETAILS	REFERENCES
Prohibition of bribery and corruption	SMEC prohibits Bribery and Corruption in all of the SMEC Group's business dealings in every country. This prohibition also applies to consultants and third parties who deal with others on behalf of the SMEC Group. This prohibition includes the making of 'facilitation payments' (small value payments to secure routine government actions). Employees must not offer, promise, give or authorise	

	the giving of a Benefit, directly or indirectly: • to a Public Official in an effort to influence official action, or in circumstances in which it might be perceived to have that intention or effect; or • to anyone else in order to induce that or another person to perform his or her job function improperly or to influence improperly the actions of that person or another person, or in circumstances in which it might be perceived to have that intention or effect; • in any other case unless it is for a legitimate business purpose and it is of an appropriate value and nature, considering local custom and law, the position of the recipient and the circumstances. Giving of Benefits to a person 'directly or indirectly' includes giving Benefits to close family members of the person. This includes the person's spouse; the person's and the spouse's grandparents, parents, siblings, children, nieces, nephews, aunts, uncles and cousins; the spouse of any of these people; and anyone who shares the same household with the person. Giving a Benefit to a close family member of any Public Official or other person whose functions are relevant to SMEC's business or business opportunities contravenes this Policy and SMEC's Code of Conduct even if it is given at a later time (for example by employing the close family member some time after the official function has been discharged) if the giving of the Benefit relates to the performance of that function.	
Gifts, hospitality, entertainment, travel, accommodation	Employees must not offer, promise, give or authorise the giving of any gift, hospitality or entertainment to any person in connection with SMEC Group business unless it is of an appropriate value and nature, considering local custom and law, the position of the recipient and the circumstances. Gifts, hospitality or entertainment will not be of an appropriate nature if they could tend to cause embarrassment to SMEC Group or to the recipient. Gifts, hospitality or entertainment must not be offered to influence improperly the actions of the recipient or another person or in circumstances in which they might be perceived to have that intention or effect. Employees must not accept gifts, hospitality or entertainment unless it is occasional and of modest value and an appropriate nature. Employees must not	1. Gifts and Entertainment Register

	accept or seek gifts, hospitality or entertainment in return for SMEC Group's business or any business advantage, or where their acceptance might be perceived to cause a conflict with the duties of any SMEC Group company or the Employee's professional duties (for example where the Employee is involved in evaluating a bid or tender from, or surveillance of construction work carried out by, the provider of the gift, hospitality or entertainment (other than modest working lunches during meetings). Each Employee must cause the prescribed details of all gifts, hospitality and entertainment given, offered or authorised by the Employee in connection with SMEC Group business that is in excess of AUD300 (whether accepted, declined or returned) to be recorded in SMEC's Gifts and Entertainment Register. Where gifts, hospitality and entertainment are given or offered concurrently to a number of recipients from the same organisation or entity, this requirement will apply if the aggregate value exceeds AUD300. Employees must cause the prescribed details of all gifts, hospitality and entertainment given or offered to them (whether accepted, declined or returned) that is in excess of AUD300 to be recorded in SMEC's Gifts and Entertainment Register. Employees must not pay, nor authorise the payment of, any travel or accommodation for any client or potential client of SMEC Group or any Public Official without the authorisation of SMEC's CEO. This will not apply if the travel or accommodation is specifically required under a written agreement to be fully reimbursed by the recipient's employer, or to car or taxi travel to business meetings or site visits accompanied by the Employee. The GCHC will monitor entries in SMEC's Gifts and Entertainment Register and report to SMEC's CEO periodically on the entries.	
Political donations	SMEC prohibits the making of any cash or in-kind contribution on SMEC's behalf or using SMEC Group funds to any political party, political party official, political campaign, elected official or any of their affiliated organisations without the approval of the CEO. This includes sponsoring or hosting functions or events organised by or associated with any of them with the purpose of raising funds, making any SMEC Group premises or property available for that purpose or sponsoring travel or accommodation. Payment using SMEC Group funds to attend functions	

	or events associated with political parties or candidates or politicians requires the prior approval of SMEC's CEO.	
Charitable donations	Payments that are otherwise prohibited under this Policy or under SMEC's Code of Conduct must not be made under the guise of charitable donations. In particular charitable donations must not be made in order to: • benefit, directly or indirectly, any political party, political party official, political campaign, elected official or any of their affiliated organisations or • induce another person to perform his or her job function improperly or to influence improperly the actions of any person. Charitable donations using SMEC Group funds may only be made in accordance with SMEC's Instrument of Delegation.	1. Instrument of Delegation
Fraudulent Practices	Employees must not engage in conduct, by act or omission, that is misleading or deceptive or is likely to mislead or deceive any person in connection with SMEC Group's business. This includes making statements to clients or potential clients, Public Officials, subconsultants or prospective subconsultants, joint venture partners or prospective joint venture partners that are intentionally misleading or for which there is no reasonable basis.	
Recording of transactions	SMEC requires that all transactions be recorded accurately, transparently and in reasonable detail in SMEC's books and records and those of its subcontractors and Third Party Representatives. In particular transactions must not be recorded in a way that conceals the true nature of the transaction.	
Partner evaluation	SMEC Group requires that its business partners observe equivalent standards of integrity and ethical behaviour that it prescribes for itself. Furthermore, contraventions of laws relating to fraud, bribery or corruption by SMEC Group's business partners potentially exposes SMEC to penalties for the same contraventions, adverse publicity, reputational harm and loss of business. SMEC Group managers who are engaged in entering into relationships with potential suppliers, subconsultants, joint venture partners and third party representatives must undertake due diligence enquiries prior to committing to the relationship to assess the capability and financial capacity of the counterparty to perform the services, the reputation	1. Supplier / Partner Register 2. Engagement and Use of Third Party Representatives

	of the party and the risk that it could engage in conduct that contravenes the law or otherwise exposes SMEC to reputational harm. The extent of the enquiries will vary depending on the nature of the relationship and the services to be acquired. Business counterparts in the following categories must not be engaged as suppliers, subconsultants, representatives or joint venture partners unless they have been registered in that capacity on SMEC's Supplier / Partner Register in the previous twelve months: • joint venture partners; • subconsultants; • Third Party Representatives. Registration can be initiated under the Supplier / Partner Registration Portal. Engagement of Third Party Representatives must be undertaken strictly in accordance with SMEC's Procedure for Engagement and Use of Third Party Representatives. Project Managers must monitor the performance of joint venture partners and subconsultants through the term of the relevant engagement and must report any instances of suspected illegal activity promptly in accordance with this Policy.	
Conflicts of interest and internal corruption	Employees must seek to avoid business dealings and personal relationships that could potentially conflict with their ability to perform their duties to SMEC Group faithfully and impartially and or could reasonably be perceived to involve such a conflict. Employees must report any such conflict or potential conflict promptly to their supervisors. Employees must not: • receive nor request anything of value from any person other than SMEC Group in connection with the performance of their duties as Employees, including in particular from any supplier to SMEC Group; or • make use of their positions with SMEC Group to obtain an undue benefit for themselves or any other person.	
Collusive Practices	Collusive Practices contravene anti-trust laws and funding agency regulations. Employees must not engage in Collusive Practices. In particular Employees must not: • seek to enter into any agreement, arrangement or understanding (whether or not in writing) with a competitor of the SMEC Group or their agent or	

	representative involving: o fixing prices or contract terms (other than for the purposes of a joint venture between a SMEC Group company and the competitor) that either of them will offer a third party; o rigging a bid; o agreeing not to offer services or allocating markets, customers, suppliers or territories; or • otherwise collude with any competitor of the SMEC Group in order to deprive any potential client of the SMEC Group of the benefits of free and open competition. Any Employee receiving an approach from another party involving or proposing or canvassing any of these practices should immediately end the discussion and report the matter to the Regional Manager and the GCHC.	
Bribery and corruption risk analyses	Each COO must, at least once in each financial year, undertake a formal evaluation of the risks of bribery and corruption in each country in which SMEC has operations or is pursuing or proposing to pursue business, by relevant market sector and client type. The evaluation should involve consideration of a reasonable range of available sources of information. Where the risk of bribery and corruption is considered significant, the COO should formulate risk management measures to manage the perceived risk to an acceptable level. Where the COO considers that the perceived risk cannot otherwise be managed to an acceptable level without undue cost, effort or impact on SMEC's business, the risk should be avoided altogether. Each COO should record the evaluation of risks in a risk register and provide it to the GCHC. COOs should monitor the risks during the course of the year and record any findings in the risk register as appropriate.	
Commitment of SMEC Management	SMEC Group requires all Managers to commit to its Code of Conduct and this Policy. COOs, Regional Director Regional Managers should actively promote compliance with the requirements of the Code of Conduct and this Policy within their respective Divisions and Regions including in communications and management meetings. COOs, RDs, RMs and CMs must enforce and monitor compliance with this Policy within their Divisions, Regions or Countries.	
Training	The GCHC together with SMEC's Learning & Organisational Development Manager and Coordinator	

	will formulate training to be given to SMEC Group personnel at reasonable intervals in order to ensure that Employees understand the requirements of SMEC's business integrity policies and procedures, related registers and guidelines and the processes for reporting concerns and instances of suspected non-compliance. The training material will be reviewed annually for effectiveness and relevance having regard to completion data and feedback received. Employees are required to undertake this training when requested. SMEC's Learning & Organisational Coordinator will maintain records of training attendance and completion.	
Annual review of Policy	SMEC's Director Corporate Affairs, GCHC and Manager Governance will meet annually to review this Policy and related policies, procedures, registers and guidelines having regard to any feedback received and will report to the Executive Committee on any changes that they recommend.	
Raising a concern in relation to this Policy	If you are unsure about the meaning of any part of this Policy or the Policy to which it relates or have concerns about how it is being applied, you should contact the GCHC.	
Monitoring and reporting	The GCHC will establish processes for monitoring of and reporting on compliance with this Policy. COOs must report to GCHC twice-yearly within the Enterprise Risk Management framework on: • measures undertaken to ensure compliance with this Policy and related procedures; • compliance with this Policy and related procedures; • any new proposed measures. COOs should obtain corresponding formal reporting from RDs, RMs and CMs in order to facilitate this reporting. Records of these compliance and of these reports and of any decisions taken relevant to compliance with this Policy and related procedures must be retained indefinitely.	
Reporting of suspected contraventions	If an Employee becomes aware of any breach or suspected breach of this Policy, the Employee must immediately report the breach or suspected breach through the Business Integrity Reporting Portal. The GCHC will review the information provided and decide what investigative steps to take. The investigation will be led by and conducted on the instructions of the GCHC assisted by at least two of: • the relevant COO; • the Group General Manager Human Resources;	1. Business Integrity Reporting Portal

	• the Commercial Director – International Operations. Reports may be made anonymously through the Business Integrity Reporting Portal. Sufficient details and supporting material should be provided to allow an assessment of the report to be made. Reports must be kept confidential except to the extent reasonably necessary to investigate the matters reported or for the purposes of enforcing this Policy. The GCHC will report the existence, progress and outcome of investigations to the SMEC Holdings Board of Directors (whether through the Executive Committee, Board Audit and Risk Committee or otherwise). Where an investigation arises from an initial report from an Employee, the GCHC will report the outcome of the investigation (including steps taken) back to the Employee who made the initial report (if known). The SMEC Group of Companies prohibits any form of punishment, disciplinary or retaliatory action being taken against any Employee for raising or helping to address a genuine concern. Retaliation is grounds for disciplinary action, which may include dismissal.	
Breaches of the Policy	Failing to comply with the requirements of this Policy is viewed as a serious matter that must be addressed by management and may lead to disciplinary action, up to and including termination of employment. Supervisors and managers must take reasonable steps to ensure that those under their direct or indirect supervision do not nor omit to do any thing that contravenes this Policy. Where, following an investigation, management is satisfied that a breach has occurred, the nature of any disciplinary or other action will be determined, in consultation with other appropriate sources of advice. The nature of any action will depend on the seriousness of the breach and other relevant circumstances. Examples of disciplinary action that may be taken include a discussion with a manager about desired behaviour, a verbal or written warning, counselling, transfer to a position with a lower level of responsibility, suspension and dismissal. If the situation involves a violation of law, the matter may also be referred to the appropriate law enforcement authorities for consideration. The following misconduct may also result in disciplinary action: • Requesting others to breach this Policy and/or the	

	Code of Conduct; • Failing to raise promptly, known or suspected breaches of this Policy and/or the Code of Conduct; • Failing to co-operate in investigations of possible breaches; and • Failing to demonstrate leadership and diligence to ensure compliance with this Policy, the Code of Conduct and the law.	
Encouragement of Associated Companies to adopt the Policy	This Policy applies to all of SMEC Group including controlled subsidiaries. Associated Companies, such as joint ventures, not under SMEC Group control are strongly encouraged to adopt this Policy and the Code of Conduct.	