

Bribery and Corruption Policy

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Purpose, Aims and Objectives

Hydro Tasmania has a legal, corporate and ethical responsibility to ensure it is not knowingly providing support in a transaction involving the offer, giving or receiving of a bribe. This policy is designed to ensure all Hydro Tasmania staff and its agents are aware of, and have procedures for dealing with, such situations should they be encountered.

Scope

Overview

The following policy and procedures outline the measures that the Corporation and its wholly owned subsidiaries will apply to comply with:

- This policy on bribery and corruption;
- Australia's undertakings with respect to the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions; and
- With the Criminal Code Act 1995.

Background

There are few defences to a charge of bribing a foreign public official. The first of these applies where the conduct is legal in the country where the conduct takes place. However, domestic bribery is unlawful in almost every country in the world, and it is irrelevant that the conduct is customary or officially tolerated.

The second defence is that the benefit¹ was a 'facilitation payment', being a payment of a minor nature and made for the sole or dominant purpose of expediting or securing the performance of a routine government action of a minor nature (such as the issuing of a visa or licence; processing a work permit; providing telecommunication services, power or water etc.).

A person intending to rely on this defence must create and keep a record of the transaction, including their own identity, the date, benefit provided, the identity of the foreign public official and the action that the benefit was provided to achieve. This defence will not afford protection in circumstances where the benefit was provided to facilitate making a decision to award business to a company.

Policy

Under no circumstances will Hydro Tasmania, directly or indirectly, knowingly offer, give or receive a bribe. Further, Hydro Tasmania will not support a transaction that involves the offer, giving or receiving of a bribe, and will exercise reasonable diligence and care not to support unknowingly such a transaction.

No person in the employ of, or employed under contract to, Hydro Tasmania shall make or receive any payment, or kickback, or offer improper financial advantage to a representative of another corporation, government official, or a government owned or controlled entity for the purpose of obtaining business or other services in contravention of the Criminal Code Act 1995.

Procedures

In keeping with the above, Hydro Tasmania shall take appropriate measures to deter the offer, giving or receiving of a bribe, including:

- The inclusion of standardising clauses for Hydro Tasmania contracts;
- Inform staff and business contacts about the legal consequences of bribery in all business transactions whether in Australia or international;
- Require staff and business contacts, as applicable in accordance with our practices, to provide a contractual undertaking/declaration that neither they, nor anyone acting on their behalf, have been engaged or will engage in bribery.
- Ensure records are kept of any transaction involving the payment of a 'facilitation payment' as described above;
- Exercise reasonable diligence and care not to support unknowingly a transaction that involves the offer, giving or receiving of a bribe;
- Bring all transactions in respect of which there is evidence or suspicion of bribery to the attention of management and Legal Services;

¹ A benefit includes any advantage and is not limited to property and therefore is not limited to cash payments.

- Refuse to provide support where, in Hydro Tasmania's opinion, there is credible evidence or reason to believe that bribery was involved in a transaction;
- As appropriate and under the terms of any agreement between the parties, management, with advice from Legal Services, will consider the following actions in dealing with any situation where, in Hydro Tasmania's opinion, there is credible evidence or reason to believe that bribery was involved in a transaction:
 - Denial of payment or indemnification;
 - Cancelling disbursements/contracts;
 - Declaring an event of default;
 - Bringing the case to the attention of co-lenders/business partners for discussion on appropriate action, where applicable;
 - Refusing to support future transactions with the same company or individuals; and
 - Any other action that may be considered appropriate.
- Hydro Tasmania will notify Australian law enforcement authorities if in the context of transacting business with a company or individual Hydro Tasmania receives credible evidence (whether during its due diligence process or after support has been provided) that there has been a violation of the law;
- Any party that Hydro Tasmania reasonably has knowledge of having had any conviction for bribery will not be supported by Hydro Tasmania until it considers that the party has taken appropriate measures to deter further bribery. Hydro Tasmania will exercise due diligence and care in determining the appropriateness of these measures, including the following:
 - Replacing individuals who have been involved in bribery;
 - Adopting an effective anti-corruption program;
 - Disciplinary action where appropriate.
 - Any other measure that may be considered appropriate under the circumstances;

Accountabilities

This policy applies to all employees of Hydro Tasmania and its agents.

The Business Risk and Compliance Manager is responsible for the review and maintenance of this policy.

All enquiries regarding this policy and the guidelines above should in the first instance be directed to Legal Services or the Business Risk and Compliance Manager.

Definitions and Acronyms

Support – means direct or indirect agreement with, approval, encouragement, financing, or allowing of an act or activity.

Agent – means a person or entity empowered to act on behalf of another person or entity.

Breaches and sanctions

Breaches of this policy may lead to disciplinary action, termination of contracts, and/or legal action.

Associated procedures and/or guidelines or related documents

Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

Criminal Code Act 1995

Code of Conduct (Hydro Tasmania)

Discipline Policy and Discipline Procedures (Hydro Tasmania)

Compliance Policy (Hydro Tasmania)