

Fraud, Bribery and Corruption Control Policy

1. Introduction

DuluxGroup acknowledges the need for directors, executives, employees and contractors to observe the highest ethical standards of corporate and business behaviour. Consequently, DuluxGroup is committed to the prevention and detection of fraud and bribery (including both local and foreign jurisdictions) through the development and implementation of DuluxGroup's Fraud, Bribery and Corruption Control Policy and Framework along with other associated policies and procedures. DuluxGroup seeks to ensure that the company maximises its good reputation and that its business is conducted with integrity and in an environment of transparency.

2. Scope and application

This Policy applies to all directors, officers and employees of DuluxGroup and all subsidiaries, affiliates or entities effectively controlled by DuluxGroup or that act on its behalf (***DuluxGroup personnel***). This Policy applies to all DuluxGroup's activities, both in Australia and overseas.

This Policy applies in conjunction with DuluxGroup's other policies and procedures, including those set out in section 12.

3. Prohibition of fraud, bribery and other improper behaviour

DuluxGroup has a zero tolerance stance towards fraud, bribery and other improper behaviour. Fraud, bribery and improper activities of any type are prohibited. DuluxGroup personnel are required to conduct themselves in a manner consistent with the principles and values of DuluxGroup as laid out in this Policy and DuluxGroup's Code of Conduct.

a. Fraud

Fraud is any dishonest activity causing actual or potential financial loss to any person or entity, including:

- theft of money or other property;
- the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose; and/or
- the improper use of information or position in order to achieve some personal gain or advantage for him or herself or for another person or entity.

All DuluxGroup personnel are strictly prohibited from engaging in fraud.

b. Bribery

Bribery is the act of offering, promising, authorising or providing a benefit (including a non-monetary benefit) with the intention of influencing a public official or private sector person in the performance of their duties, in order to obtain business or a business advantage that is not legitimately due.

Bribery can take many forms. The benefit that is offered, given or accepted may be monetary or non-monetary. For example, it may include non-cash gifts, political or charitable contributions, loans, reciprocal favours, business or employment opportunities or corporate hospitality.

Bribery can be indirect, for example where:

- a person procures an intermediary or an agent to make an offer that constitutes a bribe to another person; or
- a person gives the benefit to a relative or associate of the person who is sought to be influenced.

It is irrelevant whether the bribe is accepted or ultimately paid. It is also irrelevant whether the person's performance is actually influenced, or whether business or a business advantage is actually obtained. Merely offering the bribe is a contravention of this Policy and usually is sufficient for an offence to be committed.

Bribery in any form is prohibited. DuluxGroup personnel must not offer, promise, authorise, provide, accept or solicit a bribe.

When refusing a bribe, the refusal must be clear and direct. Any request for a bribe should be reported in accordance with section 9 of this Policy.

c. Secret commissions

Secret commissions arise where a person or entity (such as an employee of DuluxGroup) offers or gives a commission to an agent or representative of another person (such as a customer of DuluxGroup) that is not disclosed by that agent or representative to their principal. The commission is made as an inducement to influence the conduct of the principal's business.

The offering, payment or receipt of secret commissions by DuluxGroup personnel is prohibited.

d. Money laundering

Money laundering is the process by which a person or entity conceals the existence of an illegal source of income and then disguises that income to make it appear legitimate.

DuluxGroup prohibits any form of money laundering in connection with its business activities.

e. Facilitation payments

A facilitation payment is a small payment or other inducement to a foreign public official, either directly or indirectly, to expedite or secure performance of routine government actions that the official is already obliged to perform (for example, to facilitate the processing of visas or licenses).

All DuluxGroup personnel are strictly prohibited from making facilitation payments.

DuluxGroup acknowledges that in some extreme circumstances a facilitation payment may be required where there is a very real and direct threat to personal safety, or such other comparable circumstance. A person reasonably believing there is a threat of this type may make the payment. In such situations, the Fraud Control Officer and the DuluxGroup General Counsel and Company Secretary must be immediately notified and the payment properly recorded.

4. Gifts and entertainment

Gifts and entertainment must only be offered, provided or accepted in accordance with this Policy, the DuluxGroup Gifts and Entertainment Policy, and any procedures implemented pursuant to those policies.

5. Political & charitable donations

Political donations must not be made at business unit or divisional level. Any political donations must be authorised by the DuluxGroup CEO and CFO, and any donation proposed by any one of these two, must be approved by the other one and the Chairman of the Board. All political donations must be disclosed as required by law, and appropriately recorded in the DuluxGroup accounts, so they can be separately identified and reported to the next DuluxGroup Board meeting after having been made.

DuluxGroup may support charitable causes, including by making charitable donations, where this is done without expectation or acceptance of favourable action or the exercise of influence and is in accordance with local law and practices.

In some circumstances, charities can be used as a screen for bribes. Accordingly, care must be taken to ensure that the charity or cause is legitimate.

Charitable donations may only be made on behalf of:

- (a) DuluxGroup Corporate with the approval of the CEO; and
- (b) on behalf of each Strategic Business Unit with the approval of the EGM of the relevant business.

A paper requesting approval should be submitted to the CEO or EGM, as applicable, addressing the following matters:

- the purpose of the donation;
- due diligence investigations into the charitable organisation; and
- any relationships between the charitable organisation and public officials, or persons or entities with which DuluxGroup has a relationship.

All charitable donations must be recorded in the relevant business' accounts so that they can be separately identified and reported.

6. Joint ventures

DuluxGroup is committed to the prevention of improper financial or other conduct in any joint venture that it controls through its ownership, management or board involvement. Any joint venture that DuluxGroup controls must comply with this Policy and the Fraud, Bribery and Corruption Control Framework.

DuluxGroup is also committed to working to minimise the possibility of improper conduct in connection with those joint ventures where it is involved but does not exercise control. DuluxGroup will take such steps as are open to it to require that any such joint venture complies with the standards set out in this Policy.

Where a joint venture is under consideration, a due diligence investigation must be conducted before entering into contractual relations. A due diligence investigation should include a review of the potential joint venture partner's reputation, expertise, experience, past performance in relation to anti-bribery and related matters, and affiliations to government officials. Detailed records of the due diligence investigation must be kept, including a written due diligence report. This due diligence must be undertaken in relation to past and current conduct of the entity concerned. Please refer to the Fraud Control Officer for guidance on what level of due diligence is required.

Contracts with proposed joint venture partners must contain terms that incorporate the issues addressed by this Policy, as appropriate. Please contact the legal team for assistance.

DuluxGroup personnel that are board members or involved in the operations of joint venture partners should pay particular attention to signs of improper payments and should voice objections where appropriate.

If DuluxGroup personnel become aware of evidence that a joint venture partner has engaged or may engage in improper payments or other improper conduct, that evidence must be reported to the Fraud Control Officer.

7. Mergers and acquisitions

Where a merger or acquisition is under consideration, a due diligence investigation into the target must be conducted before entering into contractual relations. A due diligence investigation should include a review of the target's reputation, expertise, experience, past performance in relation to anti-bribery, key contracts, and related matters and affiliations to government officials. Detailed records of the due diligence investigation must be kept, including a written due diligence report. This due diligence must be undertaken in relation to past and current conduct of the entity concerned. Please refer to the Group M&A team or the legal team for assistance.

8. Third Parties

DuluxGroup engages with third parties in a range of circumstances in relation to its operations. These third parties may include agents, distributors, intermediaries and suppliers. In certain circumstances, DuluxGroup may be liable under anti-bribery or other laws for the improper actions of these third parties.

DuluxGroup prohibits the provision of a benefit to a third party where it is expected or likely that some or all of that benefit will be provided or offered to another person, in order to obtain any business advantage that is not legitimately due. Particular care must be taken with, for example, arrangements with consultants, agents, or distributors who assist in securing business, or who arrange introductions to potential customers or key government decision-makers.

Where an agent, distributor or intermediary is to be retained, the following steps must be taken:

- (a) Refer to the Fraud Control Officer for guidance on what level of due diligence is required, and contact the Procurement team or legal team for assistance.
- (b) If due diligence is required, a due diligence report must be generated and full records kept of the investigation.
- (c) If any issues of concern or 'red flags' are identified by this due diligence, the Fraud Control Officer must be informed. The Fraud Control Officer will determine, in conjunction with the Legal Team and others as appropriate, whether it is appropriate for the third party to be retained, if further investigations or discussions are required, and which contractual terms are to be used.

DuluxGroup personnel that engage third parties must also maintain oversight of the work of those parties (including, where appropriate, receiving progress reports, reviewing invoices and other documentation etc.) in order to confirm that legitimate work has been done and improper payments have not been made. All 'red flags' must be fully documented, investigated and reported to the Fraud Control Officer.

9. Reporting obligations

DuluxGroup personnel must immediately report actual or suspected contraventions of this Policy. Reports should be made to their line manager or next most senior person. Alternatively, reports may be made to the Fraud Control Officer, DuluxGroup's independent Speak-Up Line, DuluxGroup General Counsel, the Chief Financial Officer, or any member of the Board or the Audit and Risk Committee.

All reports must be recorded on the Control Investigations Register maintained by the Fraud Control Officer.

Individuals who wish to raise a concern or report a breach may be worried about possible repercussions. DuluxGroup strongly encourages openness and will support anyone who, in good faith, reports a possible violation of this Policy, even if they turn out to be mistaken.

DuluxGroup personnel will not be subjected to any form of detrimental treatment as a result of refusing to take part in improper conduct, or raising a genuine concern in respect of any such conduct.

10. Accounting, books and records

All financial transactions must be accurately, completely and fairly recorded in accordance with DuluxGroup's internal accounting controls. Books and records must record, in reasonable detail, the parties, payment arrangements and purpose of all transactions and disposition of assets. No accounts are to be kept 'off the books' for any reason.

False, misleading or incomplete record keeping is a criminal and civil offence in Australia and other jurisdictions in which DuluxGroup operates.

11. Consequences of breach

All reports of improper activity will be investigated and addressed. Depending on the circumstances, the breach may be referred to regulatory and law enforcement agencies as appropriate.

A breach of this policy may be regarded as serious misconduct, leading to disciplinary action, up to and including termination of employment. A breach of this policy may also expose an individual to criminal and civil liability, and could result in substantial fines or imprisonment.

A breach of this policy may also expose DuluxGroup to criminal and/or civil penalties, substantial fines, exclusion from tendering for government or private contracts, loss of business and reputational damage.

12. Relationship with DuluxGroup's other plans

The following DuluxGroup policies and frameworks are to be read in conjunction with this Policy. This is not an exhaustive list:

- a. Code of Conduct
- b. SPEAK-UP Guide & Procedure (whistleblowing)
- c. Fraud, Bribery and Corruption Control Framework

- d. Risk Management Policy & Framework
- e. Internal Compliance and Control Policy
- f. Delegation of Authority
- g. External Auditor Policy
- h. Competition and Consumer Law Policy
- i. Gifts and Entertainment Policy
- j. Continuous Disclosure Policy

These documents can be accessed on the company's intranet site 'Our Place'. If you have any questions in relation to this Policy or the Framework, please contact the Fraud Control Officer.

13. Roles and accountabilities

DuluxGroup personnel should always remain on alert and are required to report violations of laws, rules and regulations as outlined in section 9.

The Fraud Control Officer is responsible for the overall administration of this Policy. The Fraud Control Officer will monitor the implementation of this Policy and will review on an ongoing basis the Policy's suitability and effectiveness.

DuluxGroup's Board of directors ultimately has responsibility for effective and responsible corporate fraud and bribery governance and compliance. DuluxGroup's Audit and Risk Committee (**ARC**), under delegation from the Board, is the independent eyes and ears of DuluxGroup's investors and other stakeholders, with roles including evaluating management's identification of fraud and bribery risks and the implementation of preventative measures, and to provide the tone at the top that fraud, bribery and improper behaviour will not be accepted in any form. The ARC is responsible for overseeing controls to prevent or detect fraud, and overseeing senior management's compliance, and that internal control systems are in place to monitor and manage fraud and bribery risks to assist with compliance.

The Chief Financial Officer and the Group Risk Manager (with advice from the DuluxGroup General Counsel) assist and report to DuluxGroup's ARC for fraud and bribery matters.

The following diagram shows the key personnel involved in the management of DuluxGroup's Fraud, Bribery and Corruption Control processes.

