

Information for stakeholders

Anti-bribery & Corruption Policy

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Policy Statement

Sonic Healthcare Limited (Sonic), together with all of its subsidiaries (collectively referred to as Sonic in this Policy), is an organisation committed to ethical practice. The Sonic Board of Directors and executive team are committed to conducting business with honesty and integrity and therefore commit and adhere to a zero-tolerance approach to bribery and corruption.

The Board of Directors, CEO and senior executives are responsible for setting the ethical code and overseeing compliance; however, in keeping with our Core Value;

‘Demonstrate Responsibility and Accountability’, it is the responsibility of each Sonic employee to adhere stringently to these standards.

This general company-wide Policy does not override specific policies, procedures, laws or regulations in the local jurisdictions, but instead serves to complement them. If there is a conflict between this Policy and a specific local policy, procedure, law or regulation then this conflict should be referred to the local CEO and Sonic’s Company Secretary in Australia.

The purpose of this Policy is to:

- Set out the responsibilities of Sonic Healthcare Employees and Associates in observing and upholding the company’s position on bribery and corruption; and
- Provide information and guidance to Sonic Employees and Associates on how to recognise and deal with bribery and corruption issues.

Definitions

Associate

Associate means any third party (individual or organisation) who is not an Employee, but is performing work on behalf of Sonic Healthcare (or a Sonic Healthcare subsidiary). This includes but is not limited to, consultants, contractors, joint venture partners (and their employees), stakeholders and other business partners.

Bribery

Bribery means the giving, offering, promising, requesting, agreeing to receive, or receipt or acceptance of any advantage, which need not be financial, including any payment, gift, loan, fee, or reward, to or from any person in order to influence them corruptly or improperly in the exercise of their duty.

CEO

Means the chief executive officer, president or equivalent business head of a Sonic subsidiary.

CFO

Means the chief finance officer or the most senior finance manager in a Sonic subsidiary.

Corruption

Corruption means the misuse or abuse of a public or private office or power for personal gain. This includes but is not limited to, money laundering, embezzlement or corruption of justice.

Employee

Any person conducting business on behalf of Sonic Healthcare (or a Sonic Healthcare subsidiary), whether employed in a permanent, casual, fixed term, temporary or agency capacity.

Facilitation Payment

Facilitation payments are payments made to government officials to expedite or secure performance of a non-discretionary, routine government action e.g. approving licencing applications, granting permits etc.

Sonic

'Sonic' means Sonic Healthcare Limited and its subsidiaries, being all companies within the Sonic Healthcare Group worldwide.

Third Parties

Third Parties are any individuals or organisations with whom Sonic Employees or Associates come into contact during the performance of their duties for Sonic. This includes but is not limited to, customers (actual or potential), suppliers, health insurers, consultants, advisors, government agencies and other public bodies.

To whom does this apply?

This Policy applies across all Sonic subsidiaries, as well as all Employees, Associates and Directors of those business units. Companies and joint ventures in which Sonic does not have a controlling interest, are also encouraged to apply this Policy.

Laws and Regulations

Sonic conducts all of its business in an honest and ethical manner. Sonic takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever it operates. Sonic's best practice objective and expectation is that those businesses engaged by Sonic take a similar zero-tolerance approach to bribery and corruption.

Sonic operates under laws which make illegal any form of bribery, including giving or receiving bribes, 'Facilitation Payments' and bribery of foreign public officials. Bribery and corruption are criminal offences and penalties can be severe for both companies and individual employees. Bribery and corruption are punishable for individuals by imprisonment and/or a fine, and if Sonic is found to have taken part in corruption it could face a fine, be excluded from tendering for public contracts and face damage to its reputation. Therefore Sonic takes its legal responsibilities very seriously and expects its staff to do the same.

Sonic complies in full with the laws and regulations of those countries in which it operates. There is legislation in many countries, including Australia (the Criminal Code Act 1995), the United Kingdom (Bribery Act 2010) and the United States (Foreign Corrupt Practices Act 15 U.S.C) (all of which have extra-territorial reach) that prohibits bribery and corruption. Similar laws also exist in or apply to other jurisdictions in which Sonic operates. Acts of bribery and corruption committed by Sonic Employees or Associates overseas may well result in a prosecution in Australia and also in other jurisdictions.

Bribery & Corruption Examples

Bribery and corruption are defined at the beginning of this Policy and can take on many different forms, but typically both parties to the bribe or corrupt practice will benefit. It does not matter whether the bribe is:

- given or received directly or indirectly through a third party; or
- for the benefit of the recipient or some other person; or
- related to a financial benefit or a non-financial advantage (such as access to an individual or to information).

A bribe may exist where there is an intention to influence a person corruptly or improperly in the exercise of his/her duty.

Examples of some forms of bribery are:

- money (or cash equivalent such as shares, gift cards, etc.);
- unreasonable or extravagant gifts;
- kickbacks;
- unwarranted allowances or expenses; and
- 'Facilitation Payments';

Such payment, offer, promise or authorisation may be direct or indirect. For example, Sonic may be liable even if it or its Employees (or Associates) attempt to 'funnel' a payment indirectly to a public official by using an unrelated third party as a conduit.

Corruption incorporates a wide array of inappropriate behaviour.

Examples of corrupt activity include:

- money laundering;
- embezzlement;
- facilitation payments;
- kickbacks;
- falsification of records; and
- theft.

If an Employee is not sure whether a particular conduct, behaviour or practice is acceptable they must first check with their supervisor and local CEO or CFO, or where for good reason this is not possible, the Employee should contact the Business Assurance Manager and/or the Sonic Company Secretary in Australia. Sonic Employees and Associates must not:

- give, promise to give, or offer, a payment, gift or hospitality with the intention of influencing, inducing or rewarding improper performance;
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to 'facilitate' or expedite a routine procedure (where the payment is not a legitimate payment pursuant to local written law);
- accept a payment from a third party that is known or suspected of being offered with the expectation that it will obtain a business advantage for them which will be obtained through improper performance by Sonic or one of its Employees;
- accept a gift or hospitality from a third party if it is known or suspected that it is offered or provided with the intention of influencing improper performance by Sonic or one of its Employees in return;
- threaten or retaliate against another employee who has refused to commit an act on the basis of this Policy or who has raised concerns under this Policy; or
- engage in any activity that might lead to a breach of this Policy.

Note that certain minor gifts or hospitality provided or received by Sonic Employees and Associates would be considered acceptable if its purpose is not to corruptly or improperly influence (refer to the Gifts and Hospitality section below for further clarification).

Sonic Employees and Associates must:

- in certain circumstances, ensure that this Policy is applied to Third Parties by including appropriate anti-bribery and anti-corruption provisions in the engagement documentation; and
- immediately report any breaches or suspected breaches of this Policy to the local CEO or CFO, or where for good reason this is not possible, contact the Business Assurance Manager and/or the Sonic Company Secretary in Australia.

Sonic understands that the practice of giving and receiving gifts and hospitality varies between countries and regions and what may be normal and acceptable in one region may not be in another.

The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, proportionate and justifiable. The intention behind the gift or hospitality must always be considered and it can never be for the purpose of influencing a person corruptly or improperly in the exercise of their duty.

Sonic recommends that Employees and Associates consider the following factors when giving or receiving gifts and/or hospitality:

- Is it made with the intention of influencing, inducing or rewarding a third party in order to gain any advantage through improper performance, or in explicit or implicit exchange for favours or benefits?
- Does it comply with local law?
- Has it been disclosed to the Employee's supervisor in advance (where it is possible to do so or as soon as possible afterwards)?
- Is it given in the Sonic subsidiary's business name and not in the Employee's or Associate's name?
- Does it include any cash or cash equivalent (such as shares, gift certificates or vouchers)?

- Is it appropriate in the circumstances? For example, it may be customary and appropriate for some Sonic subsidiaries to give or receive small gifts at Christmas time.
- Taking into account the reason for the gift, is it of an appropriate type and value and given at an appropriate time? For example, gifts and/or hospitality must never be offered to or accepted from any clients or suppliers (existing or potential) if the Employee is involved in a tendering or contracting/negotiation process with them.
- It is given openly, not secretly?

It is Sonic's policy that Employees and Associates report, to their supervisor, all gifts or hospitality offered.

Dealing with Third-Parties

Sonic could be liable for the acts of third parties who act on our behalf. Because antibribery laws prohibit 'indirect' as well as direct payments and offers, Sonic and its Employees may be liable for the conduct of a Third Party where it is known or reasonably should have been known of such party's unlawful conduct. Turning a 'blind eye' or ignoring 'red flags' that something may be wrong does not exonerate Sonic or its Employees from criminal liability.

Sonic is also obligated to take adequate steps to prevent bribery. In certain circumstances, a reasonable investigation (due diligence) should be conducted into the background, reputation, and business practices of a Third Party before entering into a contract with them. Before appointing a Third Party, an Employee must consult with their supervisor to determine whether due diligence is required. This will always depend on the nature of the appointment. The purpose of conducting due diligence in respect of Third Parties is to mitigate identified bribery and corruption risks. Sonic will always take a proportionate and risk-based approach in conducting due diligence. Due diligence will be unnecessary for many minor appointments.

Do not do business with a Third Party who refuses to cooperate in due diligence, or where the due diligence raises concerns of bribery and corruption unless consent from the Employee's supervisor is granted. A Third Party who is suspected of or involved in bribery or corruption is not to be engaged.

In engaging Third Parties, Sonic should seek to:

- enforce compliance with this Policy as an integral part of the Third Party's contractual obligations; and
- ensure that Sonic has the capacity to cease all dealings with the Third Party, without penalty, in the event that the Third Party breaches any applicable antibribery and corruption law.

Joint Ventures and Acquisitions

Where Sonic is the majority owner or effectively 'controls' a joint venture, the joint venture entity must comply with this Policy.

Where Sonic does not control a joint venture, it will use all reasonable influence to ensure the joint venture is committed to upholding the requirements of this Policy. Actual or perceived instances of bribery and/or corruption by joint venture entities where Sonic does not exercise control, may still have economic and reputational consequences for Sonic.

Where a joint venture or acquisition is proposed, as part of proper due diligence on the venture or target, adequate consideration must be given to all elements of bribery and corruption.

Consequences for Breaches of Bribery and Anti-Corruption Laws

Consequences for individuals

If an Employee is found to have committed an act of bribery or corruption, the individual may face imprisonment and/or monetary penalties which will not be funded by Sonic. Further, where Sonic reasonably conclude that an act of bribery or corruption has been committed, the Employee will also be subject to disciplinary action, and if the corrupt act is proved, beyond a reasonable doubt, employment with Sonic will likely be terminated.

Consequences for Sonic

In addition to the above, if an Employee or Associate acting on behalf of Sonic is found by a court of law or regulator to have committed an act of bribery or corruption, Sonic could receive a fine, be prevented from tendering for Government contracts and potentially face trade restrictions.

Under anti-corruption laws, Sonic Directors and executives may also be held personally liable for breaches committed by Employees and Associates, potentially facing significant fines and/or imprisonment.

Consequences for Third Parties / Associates

Sonic will cease business engagements with any Third Party or Associate who is found to have engaged in bribery or corrupt practices.

Enforcement

Sonic is an organisation committed to ethical practice. Sonic will appropriately investigate all allegations of bribery and/or corruption and take legal and/or disciplinary action where appropriate. As outlined below, where Sonic concludes that an Employee has breached this Policy, it is likely that his/her employment will be terminated. Where a case is referred to the police or other law enforcement agency, Sonic will cooperate with the criminal investigation which could lead to the Employee being prosecuted.

Record Keeping

Sonic and its subsidiaries must keep financial records and have appropriate internal controls in place which will evidence the business reason for making any payments to Third Parties.

All expense claims relating to hospitality, gifts or expenses incurred to Third Parties must be submitted in accordance with other Sonic policies.

All accounts, invoices, notes and other documents and records relating to dealings with Third Parties, such as customers, suppliers and business contacts, should be prepared and maintained with accuracy and completeness. No accounts are to be kept 'off the record' to facilitate or conceal any improper payments.

Political Donations

It is Sonic's policy not to make donations to political parties. Exceptions may be made for minor donations required to attend events relevant to Sonic.

Reporting Concerns

All Sonic Employees and Associates have a responsibility to detect, prevent and report instances not only of bribery and corruption, but also of any other suspicious activity or wrongdoing in connection with Sonic businesses. Employees are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage.

Employees should report the issue or concern to their immediate supervisor and local CEO or CFO, or where for good reason this is not possible, contact the Head of Business Assurance Manager and/or the Sonic Company Secretary in Australia. If the issue or concern is material, the person to whom it is reported must immediately notify Sonic's global CEO, who in turn will report it to the Sonic Healthcare Limited Board of Directors (or a Committee of the Board).

Protection

Employees and Associates who refuse to accept or offer a bribe, or those who raise concerns or report another person's wrongdoing, are sometimes worried about possible repercussions. Sonic encourages openness and will support and preserve the confidentiality of anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

Monitoring & Review

CFO's of Sonic subsidiaries are required to periodically consider the risk of actual or perceived bribery and corruption as it relates to their business unit. Where the risk is assessed as being 'high', local Management are required to formulate a risk mitigation plan to proactively manage the risk of inappropriate conduct.

Each half-year, both the CEO and CFO of each Sonic subsidiary are required to sign the 'Statement of Integrity of Financial Reporting' declaring that alleged or actual instances of inappropriate behaviour have been reported to Head Office.

This Policy and relevant procedures will be periodically reviewed for effectiveness and updated and amended as required.

CFO's of Sonic subsidiaries will also monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness. Improvements to this Policy that are identified will be made as soon as possible.

All Sonic Employees and Associates are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Training and Communication

This Policy is communicated to senior management in all jurisdictions and is made available on the Sonic's subsidiaries' intranet sites. It is the responsibility of senior management in each jurisdiction to ensure those reporting to them are made aware of (and understand) this Policy. Additional training of senior management is provided where deemed necessary.

External Communication

Communication of Sonic's zero tolerance approach to bribery and corruption must be communicated to key Associates and Third Parties at the commencement of the business relationship and as appropriate during the course of their engagement with Sonic.

