



(DLS) ACN 006 474 844

## **BUSINESS CONDUCT POLICY**

### **1. Background**

As DLS expands its business, it increasingly does business in countries:

- in which it is sometimes considered by some to be normal, customary or necessary to make payments to government officials and to business counterparties or to provide other benefits, gratuities or gifts which, in Australia and elsewhere, are considered to be in the nature of 'bribery', 'corruption' or a 'secret commission'; and/or
- which are subject to international trade boycotts or embargos, some of which may be given legal force under the laws of other countries in which DLS does business.

Against that background, DLS has determined that it should adopt a policy which sets out in clear and unambiguous terms, the standard of behaviour expected of its directors, officers and employees (Staff).

### **2. Policy**

Staff should act fairly, impartially, ethically and responsibly and at all times in accordance with applicable laws and regulations in each of the countries in which DLS does business.

There should be integrity underlying all Staff dealings with customers, suppliers, competitors, joint venture partners, government, any governmental or judicial body, any of their respective staff, communities and other stakeholders with whom DLS has dealings, as well as among Staff themselves.

In the performance of their duties and responsibilities, Staff should not engage in conduct or activities that:

- puts at risk or into question the honesty, impartiality, integrity or reputation of DLS, other Staff or the individual in question;
- might otherwise cause embarrassment to or reflect poorly on DLS, other Staff or the individual in question; and/or
- in any event does not comply with applicable laws and regulations relating to conduct of business by DLS or Staff.

If there is any doubt as to the application of this Policy or in the case of suspected violation of this Policy, the matter should be referred to the Company Secretary. Senior executives and directors should contact the Chairman or the Managing Director.

Staff should comply with the spirit and intent of this Policy. Breach of this Policy may result in disciplinary action which may include, depending on the severity of the breach, a range of actions from reprimand or formal warning to demotion or termination of employment.

Similar disciplinary action will apply to any supervisor, manager or other 'up the line' manager who directly or indirectly approves of such conduct, in breach of this Policy, by another member of Staff or has knowledge of the breach and does not take appropriate action in all the circumstances.

### **3. DLS Funds**

Staff must not use DLS's funds or assets for any purpose that would be in breach of applicable domestic and international laws and regulations.

Compliance with the law does not only mean observing legal technicalities, but also observing the spirit of the law and managing DLS's affairs so that DLS is at all times recognised as a 'good corporate citizen'.

### **4. Political Contributions**

Staff must not use DLS property or funds to directly or indirectly make political contributions or donations to any government official, political party or associated person unless approved by the DLS board.

### **5. Corrupt Payments and Practices**

DLS is subject to the provisions of the Commonwealth Criminal Code Act 1995 which has provisions prohibiting practices commonly known as 'foreign corrupt practices'. Equivalents to this criminal legislation can be found in the laws of many other countries, the most widely known of which is the United States Foreign Corrupt Practices Act 1977. Breach of such legislation can have very serious consequences for the individuals concerned and for their employers.

Staff should not engage in conduct that is or is in the nature of a bribe, kickback, pay-off or other payment of a similar nature, with possible exceptions for minor facilitation payments in some countries. If such conduct is undertaken, then a record of the conduct must be maintained including details of the value of the facilitation benefit, the date on which the payment took place, the identity of the official(s) to whom the payment was made and the nature of the routine government action in respect of which the payment was made (such record to be signed and kept as part of the DLS's group records by the Staff member making the payment).

If Staff are in any doubt whether or not a proposed payment or other dealing may be in breach of this Policy, then they should first contact the Company Secretary. Senior executives and directors should contact the Chairman or the Managing Director. This restriction applies as much to indirect dealings as direct dealings with past, present or future customers, suppliers, competitors, joint venture partners, government, any governmental or judicial body, or any of their respective staff, as it does to indirect dealings. It is as much a breach of this Policy to approve, 'turn a blind eye' to or otherwise indirectly condone similar conduct by joint venture partners as to engage in the conduct directly.

This restriction does not apply to gifts that come within section 7 below relating to 'Gifts'.

### **6. Trade & Foreign Boycotts/Import & Export Laws**

From time to time, countries in which DLS does business:

- may be subject to trade or foreign boycotts which may prevent DLS doing some forms of business with that country;
- may impose boycotts on dealings with other countries in which DLS does or wants to do business; and/or
- may have import or export control laws which may have an impact on DLS's business.

As with foreign corrupt practices, these restrictions are not always implemented by legislation. Even if not legislated, the policy may be treated by the relevant government as if it was law. Breach of such legislation or policy may again have serious consequences for the Staff concerned in the breach as well as for DLS generally.

Staff should not engage in conduct that would be in breach of any such legislation or policy. If advice is need as to whether such legislation or policy is in place or there is any doubt as to the application of such legislation or policy, Staff should contact the Company Secretary in the first instance.

#### **7. Gifts**

Staff must not give, seek or accept in connection with the DLS business any type of compensation, fees, commissions, gifts, entertainment or other personal favours or assistance which are beyond a 'nominal value' or common commercial practice from past, present or future customers, suppliers, competitors, joint venture partners, government, any governmental or judicial body, or any of their respective staff.

Again, if there is any doubt whether a proposed gift is permissible or a gift has been given which may be outside this gifts policy, contact the Company Secretary. Senior executives and directors should contact the Chairman or the Managing Director.

#### **8. Dealing with Auditors, Other Professional Advisers and Regulatory Authorities**

Staff should fully co-operate with external and any internal auditors of DLS.

Staff must in all dealings with the auditors, DLS's other professional advisers and regulatory agencies and bodies, act with candour and not make a false or misleading statement or conceal any relevant information

Adopted by the Board of Directors on 16 June 2009