

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Kyron Capital Group comprising Kyron Capital Limited (ABN 33 169 308 187) and Kyron Group RE Limited (ABN 70 688 908 876, Australian Financial Services Licence Number 700092) as Responsible Entity of Kyron Investment Fund (ARSN 169 450 926); and

Kyron Managed Funds RE Limited (ABN 39 125 903 031, Australian Financial Services Licence Number 398196) as Responsible Entity of Elanor Opportunity Fund (ARSN 158 290 254) and as Trustee of the various unregistered managed investment schemes

(together “**Kyron**” or the “**the Group**”)

1 Introduction

Kyron is committed to promoting and supporting a culture of corporate compliance, corporate governance and ethical behaviour in all aspects of its business.

As part of this commitment and Kyron's zero tolerance to bribery and corruption, Kyron has developed an Anti-Bribery and Anti-Corruption Policy to assist employees of Kyron to understand their obligations in relation to the avoidance of bribery and corruption.

This Policy complements Kyron's Code of Conduct and AML/CTF Program.

2 Scope

This Anti-Bribery and Anti-Corruption Policy applies to all Employees of Kyron.

3 Definitions

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or a breach of trust. A bribe is an inducement or reward offered, promised, provided or received in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards, hospitality or other advantages not involving cash.

Kyron means Kyron Group RE Limited (AFSL # 700092) or Kyron Managed Funds RE Limited (AFSL # 398196) and its associated entities.

Corruption involves any dishonest activity in which a director, officer, employee, agent or consultant of Kyron acts contrary to the interests of Kyron and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

The concept of corruption can also involve corrupt conduct by Kyron or a person purporting to act on behalf of and in the interests of Kyron, in order to secure some form of improper advantage for Kyron, either directly or indirectly.

Employee means a director (executive or non-executive), officer, employee, agent or consultant of Kyron.

Policy means the Anti Bribery and Anti-Corruption Policy.

Third party means any individual or organisation you come into contact with during the course of your work and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.



4 Bribery and Corruption Control Management

Given Kyron's size and the nature of its operations, it is not considered necessary that a dedicated Bribery and Corruption Control Officer be appointed. The Kyron Secretariat will be given overall responsibility for the oversight and maintenance of the Anti-Bribery and Anti-Corruption Policy including:

- implementing bribery and corruption control initiatives
- ensuring staff complete bribery and corruption awareness training
- co-ordination of the bribery and corruption risk assessment process
- recording and collating any bribery and corruption incident reports
- conducting any bribery and corruption investigations
- monitoring and reviewing the program's overall effectiveness

Where appropriate, Kyron will consider engaging external specialist resources to assist in the overall implementation and management of the program and any investigations that may arise.

The overall effectiveness of the Policy is monitored on an ongoing basis. In addition, the Policy is reviewed once a year to ensure that it continues to achieve the objectives for which it was established.

5 Employees' Duties

Under the Policy you must:

- not give or accept or solicit any bribe or facilitation payment or gift or benefit (including non-cash benefits) that will compromise your integrity and objectivity in performing your duties or cause a conflict of interest
- not falsify any books, records or accounts relating to Kyron
- not provide or offer any gifts or benefits or hospitality to third parties or public officials
- not take or offer or give any secret commission on behalf of Kyron
- record gifts or benefits given and received worth \$400 or more in the Gift Register All Employees are required to comply with this Policy.

Under the Code of Conduct, all Employees also have a responsibility to prevent and report instances of bribery and corruption as well as any other suspicious activity or wrong doing in connection with Kyron at the earliest possible stage with the executive management.

6 Process for giving and receiving gifts and benefits worth over \$400

- Employees should, where possible, discuss with their team manager the fact that they have been offered a gift / benefit before accepting it, in order to determine the appropriate action.
- Employees are required to enter details of any gift / benefit in the Gift and Entertainment Register within 5 business days of receiving or being offered the gift / benefit.
- The register entry must state whether the gift was accepted or returned.
- Noting that gifts / benefits should not be accepted on a re-occurring basis or broken down into parts of less than \$400.

7 Acceptable gift and entertainment expenditure

Gifts and genuine hospitality and entertainment expenditure that is reasonable and proportionate is allowable provided it complies with the following:



- is made for the right reason – it should be clearly given as an act of appreciation or common courtesy associated with standard business practice
- creates no obligation – it does not place the recipient under any obligation
- carries no expectation – expectations are not created by the giver
- is made openly – if made secretly and undocumented then the purpose will be open to question
- is of reasonable value – its size is small and in accordance with general business practice
- appropriate – its nature is appropriate to the relationship
- at “arm’s length” – all transactions / gifts should be at an “arm’s length” basis with no special favours and no special arrangements
- legal – it complies with relevant laws
- documented – an entry has been made into the Gift and Entertainment Register (small items like a working lunch or buying coffees or a drink do not need to be documented) .
- making incomplete, false or inaccurate entries in Kyron records, e.g. Gift and Entertainment Register

8 Facilitation payments

Facilitation payments are a form of bribery made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, e.g. processing papers, fast tracking development or zoning applications, issuing permits and other actions of an official.

Facilitation payments are prohibited under this Policy.

9 Fraud

Corruption includes fraud.

Fraud examples in Australian businesses include:

- Theft of plant and equipment by employees
- Theft of inventory by employees
- False invoicing (involving a staff member of the organisation, or a person external to the organisation, creating a fictitious invoice claiming payment for goods or services not delivered or exaggerating the value of goods delivered or services provided)
- Theft of funds other than by way of false invoicing
- Theft of cash (particularly in retail or other cash businesses) usually involving some form of concealment
- Accounts receivable fraud
- Credit card fraud
- Theft of intellectual property or other confidential information
- Financial reporting fraud
- Release or use of inaccurate information for the purpose of deceiving, misleading or to hide wrongdoing
- Insider trading
- Forged qualifications
- Misuse of position by executives or directors in order to gain some form of financial advantage.

Fraud Warning Signs

Managers and staff should be alert to the common warning signs of fraud:



Procedural warning signs:

- Unauthorised changes to systems or work practices
- Missing documentation relating to client or organisational financial transactions
- The same employee performing an excessive number of duties e.g. both processing and approving the same transaction
- "Blind Approval", where the person signing does not sight the supporting documentation;
- Only duplicate invoices available
- Alterations to documents such as logbooks and time sheets
- Senior staff involved in routine process work such as purchasing, ordering and receiving goods
- Potential conflicts of interest not declared
- Undue secrecy, or excluding people from available information; and
- Failure to conduct reference checks on staff prior to appointment.

Personality and behavioural warning signs:

Some personality and behavioural signs which may signal a raised risk of fraud or corruption:

- Refusal to take leave, or take leave rarely
- Possible problem with drugs, alcohol or gambling
- Staff member undergoes a "character change"
- Unusual events or actions for which employee gives implausible reasons; and
- Employee who has access to organisational funds appearing to live beyond his/her means.

10 Employee screening

- All new employees are subject to pre-employment screening as part of Kyron's recruitment and selection procedures
- Additional employment screening may also be considered in the event that a staff member is transferred or promoted into a senior management position considered to be higher risk in terms of potential exposure to bribery or corruption

11 Supplier and customer vetting

The risk of bribery or corruption arising as a result of a contracted party manipulating the procurement process or soliciting the payment of secret commissions is reduced by ensuring that Kyron knows who it is dealing with in all significant commercial transactions.

To this end, Kyron has developed a process that provides for effective vetting of suppliers and customers to confirm their reputation. Relevant enquiries may include:

- Search of the company register and ABN confirmation
- Verification of personal details of directors including director bankruptcy search and director disqualification search
- Credit rating search
- Media search



12 Monitoring and review

Internal control systems and procedures including the Gift and Entertainment Register will be subject to regular internal and external audits and reviews to provide assurance that they are effective in countering bribery and corruption.

13 Role of the external auditor

Kyron currently engages external auditors to audit the financial statements. Part of the auditor's responsibility is to detect material misstatements that may be due to fraud or corruption. To enhance the auditor's ability to assist us in detecting fraud or corrupt behaviour we brief the auditor with respect to the existence of this Policy and highlight any areas of concern noted by Kyron.

Date: 27 May 2022