



ANTI-BRIBERY & ANTI-CORRUPTION POLICY

**Oregon Pacific International
Small Industries Centre
Nuku'alofa
Tonga**

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Introduction

Anti-Bribery and Anti-Corruption (ABAC) Policy

This Anti-Bribery and Anti-Corruption (ABAC) Policy is part of the Integrity Compliance Program (ICP) for Oregon Pacific International (OPI). The ABAC Policy and the Code of Conduct (COC) serve as the pillar documents of the ICP. These documents explain how OPI implements the ABAC Policy and the COC, ensuring compliance by its directors, employees, business partners, and agents.

The ABAC Policy has been prepared to address anti-bribery and anti-corruption measures. In this regard, it covers key areas such as misconduct and OPI's commitment to integrity. The policy outlines the due diligence requirements for board members and employees, including restrictions on the employment of public officers. Specific guidelines on the offer and acceptance of gifts are established to prevent situations that may give rise to bribery. Contributions by OPI to political organizations or politicians must be strongly justified, while contributions to charitable organizations are subject to specific conditions. All business partners must undergo a due diligence process designed to protect OPI and its employees from corruption and to ensure that business partners and agents commit to the ICP.

Proper financial control and adherence to contractual obligations are integral to the ABAC Policy. These measures ensure the integrity of financial management and the proper discharge of responsibilities under contracts by both OPI and its business partners and agents. It is crucial for OPI to encourage its directors, employees, business partners, and agents to comply with the ICP. At the same time, OPI will impose sanctions and penalties for any breach of the ICP.

OPI has also developed and approved a Code of Conduct to establish standards of behavior and guiding principles for its directors, employees, business partners, and agents. Additionally, a Policy and Procedures document has been prepared to facilitate the implementation of the ICP. Specific responsibilities under the ICP are assigned to designated individuals, such as the Integrity Compliance Officer and an Independent Auditor, who are tasked with specific duties. A comprehensive training program has been developed to promote awareness and ensure compliance with the ICP.

This ABAC Policy is divided into sections that provide important guidelines on anti-bribery, anti-corruption, and misconduct.

Glossary

Agent

A person or an entity duly authorized to act on behalf of OPI

Anything or gift of value

Anything offered as a gift or payment which has an estimated value of USD\$80 or more

Bribery

An attempt to influence the actions or decisions by a person so that a business advantage is gained or retained by giving something which is of value

Business partner

Business partners refer to contractors, sub-contractors, suppliers, service providers, consultants

Corruption

The abuse of a public office or power for private gains or the abuse of private power in doing business in the private sector

Facilitation Payment

Nominal payments made to government officials to facilitate or secure the performance of non-discretionary routine action

Fraud

Fraud is when someone intentionally lies, misrepresents, or omits important information to deceive others for personal gain or to cause harm.

Government officer

As defined by law, a person in the employment of government and paid from government funds

Improper advantage

Directly or indirectly paying or giving a person something of value, either directly to influence or prevent a government action or any action by a third party

Improper payment

The payment of a bribe, facilitation payment or kickback

Kickback

The payment or promise to pay a portion of contract consideration to a public officer, private sector executives, church leaders and any other third party

Section 1: The Prohibition of Misconduct

Misconduct is a breach of discipline and a serious offense in any workplace or industry. It should not be tolerated, as it includes fraud, collusion, coercion, misrepresentation, false statements, solicitation, and bribery. Therefore, OPI has established the following policy statements:

1. OPI has a zero-tolerance policy for certain serious misconduct, whether committed by its directors, employees, agents, business partners, or any third party, either directly or indirectly through their agents, representatives, or intermediaries. Misconduct is strictly prohibited.
2. The following actions are regarded as misconduct and are prohibited. The commission of these actions may result in disciplinary actions, which could include dismissal of employees, disqualification, disassociation, or termination of contracts with business partners and agents. The severity of the disciplinary action will depend on the seriousness of the misconduct, and all actions will be taken in compliance with the principles of natural justice, ensuring fair treatment for all parties involved.
 - i. Misrepresentation of factual information in a fraudulent manner intended to mislead, either by providing a false account of the facts or negligently failing to ensure that the facts are verified.
 - ii. Intentionally making false statements in documents such as invoices, claims, quotations, or in response to specifications, scopes of work, terms of reference, or similar documents related to contracts or payments.
 - iii. Coercion of an employee, business partner, agent, or third party by using force or threat to commit a wrongful act contrary to the law, ethical behavior, or the OPI Code of Conduct (COC).
 - iv. Collusion by a director, employee, business partner, or agent to fix prices in bids, services, or supplies, or sharing inside information to gain non-competitive or unfair advantage.
 - v. Soliciting or enticing clients with gifts, donations, or special treatment to win contracts or gain an unfair advantage.
 - vi. Accepting bribes or gifts of value to provide special treatment to a business partner, third party, or acquaintance, which violates legal and professional standards.
 - vii. Offering bribes, gifts, or anything of value to a business partner or third party associated with government officers to obtain special favors or treatment which can be made directly or indirectly and so that special favors or treatment can be granted to them or their associates and acquaintances.

3. OPI including its Company Directors, employees and agents are subject to investigation by relevant government authorities and may be prosecuted if found guilty under applicable laws.
4. All directors and employees must cooperate when there is a review by an independent authority, investigation, or audit, providing documents, evidence, and support.

Section 2: Responsibility for Commitment to Integrity

2.1 Leadership and Commitment by Directors and Employees

OPI and its directors are fully committed to this Anti-Bribery and Anti-Corruption (ABAC) Policy and the implementation of its provisions in accordance with applicable laws. The following statements apply:

- I. The Executive Director has primary responsibility for the oversight of the Integrity Compliance Program (ICP), with support from the Integrity Compliance Officer and Independent Auditor to ensure effective implementation and monitoring.
- II. The Executive Director, in collaboration with managers, is actively involved in monitoring compliance with the ABAC Policy and COC, reporting to the Managing Director regularly.
- III. Quarterly monitoring meetings, by the Managing Director, will review the progress of ICP implementation and compliance.
- IV. The Integrity Compliance Officer and Independent Auditor are responsible for reviewing the effectiveness of the ICP and recommending improvements.
- V. The ABAC Policy and COC will undergo regular reviews by an independent person to ensure they meet current and future standards for preventing, detecting, investigating, and responding to misconduct.
- VI. OPI will allocate the necessary resources for the effective implementation of the ICP, including training, monitoring, reporting, and compliance activities.
- VII. OPI will employ qualified personnel with the appropriate experience to uphold professional standards in both technical and management aspects of operations.

2.2 Responsibility at the Individual Level

Each Company Director and employee has a personal responsibility to ensure their actions align with the provisions of this ABAC Policy and the COC:

- I. All Company Directors and employees are individually responsible for complying with the ABAC Policy and COC.
- II. Company Directors and employees must comply with relevant legislation in Tonga regarding business operations, financial accountability, transparency, and anti-corruption.
- III. Employees delegated specific responsibilities must perform them with diligence and the highest standards of honesty.
- IV. All directors and employees must support the effective implementation of the ABAC Policy and COC to advance OPI's mission.

2.3 Compliance

Compliance with the ABAC Policy and COC is mandatory for all directors and employees. The Executive Director is responsible for enforcing compliance and will report any violations to the board.

- I. The Executive Director will report misconduct and violations of the ABAC Policy and COC by employees, business partners, and agents.
- II. The Executive Director will ensure business partners and agents are informed about the ICP and its compliance requirements.
- III. The Executive Director will liaise with the Integrity Compliance Officer and Independent Auditor on ICP reviews.
- IV. The Managing Director will make decisions regarding actions to address misconduct and violations.
- V. The Managing Director has the authority to discipline employees and agents and terminate associations with business partners in cases of misconduct.

Section 3: ICP Initiation, Risk Assessment, and Reviews

At the commencement of the ICP, the Managing Director is responsible for its initiation, updating the risk assessment of OPI, and ongoing review. The following actions will be undertaken by the Executive Director:

- I. Oversee training on the ICP and evaluate its impact.
- II. Ensure copies of the ABAC Policy and COC are available to all employees, business partners, and agents.
- III. Collaborate with managers to update the OPI risk assessment and provide feedback for the review.
- IV. Conduct monthly meetings with managers and supervisors to assess ICP compliance and report on any breaches.

- V. Report quarterly to the Managing Director on the status of ICP implementation.
- VI. Liaise with the Integrity Compliance Officer regarding the ongoing effectiveness of the ICP.
- VII. Communicate any changes or improvements to the ICP to business partners and employees.

Section 4: Internal Policies on Anti-Bribery and Anti-Corruption

4.1 Due Diligence of Board Members and Employees

Due diligence aims to verify the facts and minimize the risk of hiring unsuitable individuals. The following process applies:

Employees appointed to senior positions must provide the following documents before joining OPI:

- I. CV with work history and relevant testimonials
- II. Signed consent forms for Police records
- III. Ministry of Justice clearance for participation in legal actions
- IV. References from the last two employers
- V. Certified copies of relevant educational and employment records
- VI. Countries of residence in the past 5 years
- VII. References from the local District and Town Officers
- VIII. Any other documents as required

The Executive Director will conduct due diligence checks on all directors and senior employees and verify the authenticity of submitted records.

Senior and junior employees must undergo ICP training before being confirmed as staff at OPI.

4.2 Employment of Former and Current Public Officials

The employment of public officers is governed by law. The following conditions apply when engaging former or current public officials:

- I. Public officers may not be employed unless permitted by their employing entities.

- II. Current or former public officers, or persons related to them, may not be engaged if their employment conflicts with their prior roles.
- III. Former public officers must disclose their work history and any potential or actual conflicts of interest.
- IV. Due diligence checks must be conducted on all current or former public officers to be employed, including checks on their close relatives.
- V. The Legal Officer will ensure that the employment of public officers is lawful and does not create a conflict of interest.

4.3 Offer and Acceptance of Gifts and Benefits

Gifts, payments, or benefits can be seen as bribery, so OPI has strict rules governing their offer and acceptance:

4.3.1 Offer of Gifts

- I. Gifts cannot be offered in cash or its equivalent.
- II. Gifts to business partners or third parties must be declared and approved by the Managing Director.
- III. Gifts must be reasonable, appropriate, and given for legitimate purposes, ensuring no bribery or improper advantage.
- IV. Gifts must be appropriate to the occasion and given openly and transparently, recorded in a register.

4.3.2 Entertainment and Expenses

- I. Entertainment must be limited to breakfast, lunch, or dinner in a normal restaurant.
- II. Travel or expenses paid for business partners or third parties must be reasonable and for a bona fide purpose.
- III. Entertainment or travel expenses must be modest, legal, and documented in monthly and annual reports.

4.3.3 Public Officers

- I. Gifts or payments to public officers are prohibited unless specifically authorized for public responsibilities.
- II. Payments for travel and expenses must be pre-approved and in compliance with relevant laws.
- III. Public officers involved in procurement or project financing must not receive gifts or payments that could create a conflict of interest.

4.3.4 Acceptance

- I. Cultural gifts such as handicrafts and foodstuff may be accepted.

- II. Gifts valued at TOP 200 or more must be declared, reported to the Integrity Compliance Officer, and included in company reports.
- III. Acceptance of hospitality, travel, or expenses from business partners must be pre-approved by the Managing Director.

4.4 Political Contribution

Political contributions are prohibited unless justified as genuine goodwill, not for gaining an unfair advantage.

4.5 Contribution to Charity Organizations

Charitable contributions are permitted but must not be made to gain special treatment or favor. The Managing Director must approve donations, and all contributions must be documented and reported.

4.6 Facilitation Payments

Facilitation payments are prohibited, except in rare cases where health and safety are at risk. All payments must be documented and reported.

4.7 Record Keeping

Records must be kept for all due diligence checks, engagements with public officers, gifts, entertainment, and expenses. These records will be reviewed in monthly and annual reports and made available for auditing.

4.8 Fraudulent, Collusive, and Coercive Practices

Fraud, collusion, and coercion are prohibited. Any instances must be reported and handled according to legal processes, with severe consequences for violations.

Section 5: Business Partners Due Diligence

Due diligence is a safeguard against fraud and misconduct when engaging business partners. It helps minimize the risk of fraudulent business relationships. A due diligence process and documentary evidence must be provided to ensure compliance with policies against bribery and anti-corruption.

Business partners need to be aware of OPI's policies and demonstrate a commitment to anti-bribery and anti-corruption efforts. At the same time, there must be oversight and monitoring of the business partners.

Therefore, the following policies apply to the due diligence of business partners:

5.1 Due Diligence on Business Partners

- I. Due diligence shall be conducted on all business partners before entering any contractual relationship.
- II. The due diligence must be proportionate to the degree of risk presented by the nature and sensitivity of the role to be performed by the business partner.
- III. Due diligence on business partners shall be conducted annually.
- IV. Due diligence shall also be conducted to ensure that business partners have working policies and practices to address bribery and corruption, and a system for monitoring, detecting, and reporting misconduct.
- V. No business partner involved or reasonably suspected of involvement in misconduct, as defined in this document, shall be engaged in any capacity whatsoever.
- VI. No relationship will be entered into with a third-party intermediary who has substantial interaction with public officers without due diligence checks on both the intermediary and the third party.
- VII. OPI shall not pay money or anything of value, either directly or indirectly, to business partners or other third parties if the payment may be passed on to a government officer to influence official action or gain an improper advantage.
- VIII. All business partners must undertake to comply with the OPI ABAC Policy and the Code of Conduct (COC).
- IX. All business partners must be free of corrupt practices, not involved in counterfeiting, child labor, or faulty workmanship, and must be financially sound.
- X. All joint venture partners and contractors must undergo due diligence checks, using the checklist and form in Annex 1 and Annex 2. The checks shall include:
 - a) a. Business registration and license
 - b) b. Management structure
 - c) c. Tax registration and tax clearances
 - d) d. Insurances
 - e) e. Audited financial statements
 - f) f. Projects contracted in the last 5 years
 - g) g. Previous year's annual report
 - h) h. Health and Safety Policy
 - i) i. Quality Assurance Manual
 - j) j. Photos of any equipment, property, or asset that may be required
 - k) k. Any other relevant information
- XI. All agents, advisers, consultants, and representatives to be engaged must sign a declaration of compliance with the ICP and any relevant anti-bribery and anti-corruption laws.

- XII. All agents, advisers, consultants, and representatives must allow access to their records, facilitate investigations, and submit any required documents.
- XIII. OPI has the right to audit the compliance of business partners with anti-bribery and anti-corruption laws and the ICP.
- XIV. No business partner, especially agents, advisers, consultants, representatives, and service providers, shall act on behalf of OPI until duly authorized.
- XV. No business partner, especially agents, advisers, consultants, representatives, and service providers, shall make any payments or offers of anything of value to a third party or third-party intermediary.
- XVI. All agents acting on behalf of OPI shall be duly authorized in writing by the General Manager in a contract, and require endorsement by the Legal Officer.
- XVII. All agents must submit the following documents for due diligence checks:
 - a) a. Full CV
 - b) b. References from the last 3 employers
 - c) c. Business license
 - d) d. Certified copies of certificates
 - e) e. Any other relevant information
- XVIII. All suppliers and vendors to be engaged are required to provide 2 valid referees and signed background consent forms.
- XIX. All transactions with business partners shall be documented fully, and records of transactions with public authorities and private sector entities related to OPI shall be kept.
- XX. All payments shall be made through appropriate channels and for legitimate goods and services, not exceeding what is appropriate, legitimate, and justified.
- XXI. Business partners who fail due diligence will not be permitted to conduct any work with OPI.

5.2 Informing Business Partners

- I. All business partners shall be informed of the ICP and must comply with its requirements.
- II. All business partners must attend training on the ICP, organized by OPI from time to time.
- III. All business partners must comply with the ICP when conducting business with or on behalf All business partners must agree to commit and comply with the ICP and refrain from engaging in misconduct when signing contracts with OPI.
- IV. It is expected that all business partners dealing with OPI adopt their own ICP.

- V. All business partners and employees must abide by the provisions of this ABAC Policy and avoid situations likely to lead to misconduct.

5.3 Commitment of Partners

- I. All business partners must agree to commit and comply with the ICP and not to engage in misconduct in an undertaking when signing contracts with OPI
- II. It is expected that all business partners dealing with OPI adopt their own ICP.

5.4 Proper Documentation

- I. All transactions with business partners shall be fully documented with the appropriate details that reflect the transactions undertaken.
- II. Business partners must also document details relating to agents employed by them in connection with transactions related to OPI.

5.5 Appropriate Remuneration

- I. The remuneration of business partners shall be reasonable, appropriate, and justified for legitimate services, as outlined in a contract. Payments shall be made through bona fide means.
- II. Remuneration shall be based on historical rates used by business partners in similar assignments, adjusted for inflation and additional experience.
- III. Remuneration for works performed shall be determined through a competitive bidding process.
- IV. The determined remuneration shall be included in the contract as an annex.
- V. The payment of commissions, bonuses, or success fees can only be made based on performance assessment.
- VI. Payments to business partners shall comply with the following requirements:
- VII. Submission of invoices by business partners
- VIII. Verification that the goods and services have been delivered by the Logistics Officer
- IX. Verification of the invoice and delivery by the Finance Manager
- X. Proper recording of the transaction in the books by the Finance Manager
- XI. Payment to be made directly by cheque or bank transfer to the business partner's account

5.6 Monitoring and Oversight

- I. All contracts executed shall comply with these policies and be subject to strong oversight and monitoring.
- II. The Managing Director shall be responsible for monitoring and oversight of the due diligence process.
- III. The Independent Auditor shall review the due diligence process annually and make recommendations for improvement in compliance.

Section 6: Internal Control

Proper financial management and effective control can prevent and deter violations of policies regarding financial controls. Misuse of money can facilitate misconduct and fraud. Therefore, imposing restrictions on financial management practices is essential to prevent abuse.

The following policies apply to financial control and contractual obligations of OPI:

6.1 Financial Control

- I. The financial management system shall be documented in compliance with acceptable standards for accounting practices. The system shall ensure that books, accounts, and records are accurate, fair, and available for inspection by the Independent Auditor.
- II. All staff responsible for financial management shall ensure that transactions entered into the system are complete, accurate, and relate to actual expenditures.
- III. All transactions shall be entered on a timely basis and in accordance with applicable accounting standards and rules.
- IV. All financial transactions shall be documented fully with supporting documents, and entered into the system promptly.
- V. The following actions are prohibited:
 - a) The setting up or maintenance of off-the-books accounts
 - b) Making off-the-books transactions that are not properly recorded
 - c) Recording non-existent expenditure
 - d) Use of false documents for collusive acts
 - e) Intentionally destroying records earlier than permitted by law
 - f) Hiding documents related to collusion or corruption
 - g) Keeping secret, unrecorded, or unreported transactions is prohibited.
- VI. All financial management transactions shall be made available for internal and external audit purposes.

- VII. The financial system shall undergo quality assurance checks by the Independent Auditor to verify compliance with the ICP or identify incidents of non-compliance.
- VIII. OPI shall not engage in improper business practices, including:
 - a) Questionable accounting, financial controls, and auditing matters
 - b) Conduct or practice which are illegal or in breach of the law or a contract
 - c) Bribery, fraud, collusion, coercion, abuse of authority, or unethical dealings
 - d) Bribery where a bribe is given with the intention to gain an unfair business advantage
 - e) Fraud where a person is deceived to gain an unfair or illegal advantage
 - f) Collusive behavior to conspire to commit action with the intention to deceive or commit fraud to gain improper advantage
 - g) Coercion behavior by using one's position to procure something not merited
 - h) Abuse of authority
 - i) Unfair or unfair dealings with business partners or clients
- IX. OPI is prohibited from price-fixing, anti-competitive agreements, bribery, theft, or spreading false information.
- X. All directors and staff are required to report incidents of improper behavior.
- XI. The Independent Auditor shall investigate all violations impartially and fairly, adhering to principles of natural justice.
- XII. All breaches of the ICP and the law shall be reported to the Managing Director for investigation and disciplinary action.
- XIII. Employees involved in financial tasks must have their work thoroughly reviewed by their supervisor for accuracy and completeness.
- XIV. Employees engaged in financial management shall comply with normal accounting practices and standards as imposed by the professional accounting association.

6.2 Contractual Obligations

- I. All contracts to be signed with business partners, agents and employees shall contain the relevant clauses which shall be activated for termination of contract for involvement in misconduct
- II. All contracts with business partners shall contain clauses pertaining to the following:

- a) Compliance with the relevant Tonga laws, international standards and conventions and guidelines of the relevant international organizations
 - b) Obligation of business partners to cooperate with reviews, audits and investigations
 - c) OPI to audit the compliance of business partners with its ICP, when required
 - d) Right of OPI to terminate the contract for breaches of the ICP
- III. All directors, employees, business partners and agents shall comply with all legal and contractual obligations in dealing with the various governments and regulatory agencies with which they are in contact
 - IV. All employees, agents and business partners who deal with government officers and negotiate contracts are responsible for knowing and complying with all applicable laws and regulations
 - V. OPI shall reserve the right, as expressed in the contract, for termination of contract provided that due process is followed
 - VI. Where OPI has reasonable grounds to think that a business partner is involved in misconduct or is behaving in a manner that is inconsistent with the provisions of this ABAC Policy, the contract shall be terminated provided that due process is followed
 - VII. Where a business partner or employee holds themselves out as an agent of OPI, OPI is ultimately responsible and liable for their actions
 - VIII. OPI may be responsible for actions of third parties in accepting and giving bribes or committing misconduct, if it is reasonable to assume that the third party is an agent of OPI
 - IX. Where OPI fails to take reasonable steps to prevent employees and agents from bribing a third party or accepting bribes from a third party, OPI is responsible and accountable, regardless of whether it was aware of it or not
 - X. OPI must take reasonable steps to prevent third parties from bribing directors and employees and is accountable when it fails to do so
 - XI. OPI must never request a third party to engage in conduct prohibited in this ABAC Policy or misconduct as explained in this ABAC Policy

- XII. OPI must never request a third party to condone a director or employee whose conduct is prohibited by this ABAC Policy
- XIII. Directors and employees must never accept an offer of bribery from a third party
- XIV. All employees have a responsibility to report the violation of this ABAC Policy or any violation

6.3 Approvals

- I. All approvals of recommendations rest with the Managing Director
- II. All approvals of payments shall also comply with the limits in Annex 3

Section 7: Communication and Training

OPI has an obligation to train its directors and employees on the ICP and encourage other business partners to develop similar policies. The following policies are imposed:

- I. The ICP shall be explained in the Annual Report from time to time
- II. The ABAC Policy together with the COC shall also be printed in Tonga and distributed to all directors and employees
- III. From time-to-time training of directors and all employees shall be conducted on the ICP
- IV. All new directors and employees must undergo the training on the ICP led by a competent trainer
- V. The training must be designed and tailored to the different levels of responsibility to meet their needs by a competent trainer
- VI. All business partners must also attend training tailored to their needs
- VII. All training activities must be reviewed regularly and updated by the competent trainer
- VIII. The training shall be attended in person and the competent trainer shall evaluate the training and report to the Managing Director

Section 8: Incentives

It is important to provide incentives for compliance with the ABAC Policy. At the same time, penalties should still apply to those who violate the ABAC Policy. The following policies apply to both:

8.1 Positive Incentives

- I. Confirmation of appointment of probationary employees is subject to attending the training in the ICP and report from the supervisor of satisfactory compliance with the ICP
- II. Consideration for the promotion of employees shall include a strong level of compliance with the ICP as reported by the supervisor
- III. The evaluation of performance for remuneration consideration shall include an assessment of compliance with the ICP
- IV. The recognition for high-level compliance with the ICP shall be made at the annual meetings of OPI

8.2 Disciplinary Measures

- I. Any individual or entity found to have violated the ABAC Policy will face appropriate actions, which may include warnings, disciplinary measures, enforcement of contractual provisions, or legal remedies, depending on the severity of the breach
- II. Where a business partner is reported to have been engaged in misconduct or in breach of this ABAC Policy, the appropriate clauses in the contract will be activated and where appropriate legal remedies will be sought

Section 9: Reporting

Reporting the incidences of violation of this ABAC Policy is important so that misconduct, bribery and corruption can be dealt with. The following policies apply to the obligation to report incidences of violation and ensuring that everyone is committed to the ABAC Policy:

9.1 Reporting Obligation

- I. All employees have an obligation and must report immediately all incidences of violation of the provisions of this ABAC Policy
- II. All reports must be kept confidential and could be submitted on either a named or anonymous basis
- III. Where employees are unable to report through their supervisors' incidences of violation of the provisions of this ABAC Policy, they can report directly in writing to the Managing Director

- IV. All directors are to seek advice and guidance from the Independent Auditor or an appointed authority on complying with the ICP or when they encounter a difficult situation
- V. Where directors, business partners, agents and employees need to report concerns or violations of the ICP, but wish to remain anonymous, can do so directly in writing to the Managing Director
- VI. All directors, Managing Director and managers have an obligation to review the ICP and report annually in writing that they have complied fully with the ICP and COC
- VII. OPI can report violations of the law or regulations to the appropriate Tongan authorities and where appropriate to the relevant international organizations

9.2 Advice

- I. OPI shall retain a logbook of requests for advice received from directors and employees for advice on the ICP
- II. The Independent Auditor or any other appointed authority shall provide the advice on how to deal with the situation whether encountered in Tonga or in an overseas country
- III. OPI shall review the requests in view of seeing whether the ICP needs to be amended to take into account any gaps that are apparent from the requests or additional training are needed

9.3 Hotlines

- I. All reports of misconduct or potential misconduct, including concerns and seeking guidance, should be reported or raised directly to the Executive Director, who shall keep them confidential and act on the reports with the relevant parties

9.4 Periodic Certification

- I. All directors, the Managing Director and managers shall certify in writing once every year that they have reviewed the ABAC Policy and COC and complied fully with them, and have reported any violations or possible violations of the ICP by other directors, Managing Director or managers, and will continue to do so
- II. All employees shall also complete a certification upon recruitment, and attending ICP training and undertake the same on an annual basis and state that:
 - a) They have read and understood the ICP

- b) Commit to comply with the principles set out in the ICP and applicable laws and regulations and state re-certification that they continue to comply to date
- c) Agree to cooperate with company reviews, audits and investigations
- d) Acknowledge the right of OPI to terminate the contract for serious breaches of the ICP

Section 10: Remediate Misconduct

The following sections deal with the investigation of misconduct and actions to be undertaken:

10.1 Investigation

- I. All incidences, alleged, suspected or occurred, of breaches of the ICP, or conduct by a business partner or a third-party including government officials, having implication on the reputation and business of OPI, shall be registered in a register of ICP incidents
- II. OPI shall allow incidences to be reported internally, by a business partner, by public officer or anonymously
- III. The Legal Officer shall determine whether there is an incident that is serious to be investigated, taking into account the following:
 - a) Whether the law, OPI policy or regulations have been broken
 - b) The severity of the misconduct
 - c) The continuity of the misconduct
 - d) The likelihood of criminal prosecution
 - e) The potential health and safety risk
 - f) The reputational risk to OPI
- IV. Where misconduct is suspected the following procedures shall be used to investigate:
 - a) The Executive Director shall write to the employee suspected of committing misconduct or the violation of the provisions of the ABAC Policy providing details of the misconduct for a response
 - b) The employee shall respond to the details stated in the letter and submit within a specified time period
 - c) If appropriate, the Executive Director will submit the letter and the response from the employee to the Independent Auditor or any other appropriate authorities for further investigation.

- d) The Executive Director will then submit a full report to the Managing Director and a decision is made as to whether the staff is disciplined, demoted or dismissed
- e) Where an employee retaliates because of another employee reporting misconduct or violation in good faith, is prohibited
- f) Where a business partner is involved in misconduct, the contract shall be terminated in accordance with the relevant clauses stipulated in the contract
- g) Where a business partner is in violation of the ABAC Policy, the appropriate action to be undertaken shall be determined in accordance with the relevant clauses in the contract
- h) OPI employees must promptly report suspected violation of this ABAC Policy and use the 'red flags' in Schedule B to alert themselves to potential violations

10.2 Responsive Action

- I. OPI will respond to business partners and employees on the appropriate action to be taken on the misconduct or violation of this ABAC Policy
- II. OPI will also provide all business partners and employees with notice on further disciplinary measures if the misconduct or violation continues

Section 11: Collective Action

11.1 Industry Contribution

- I. OPI will take all the necessary action to encourage other business partners to develop their own ICP
- II. Copies of the ICP shall be distributed to business partners and encourage them to prepare one or adopt one
- III. OPI shall ensure that business partners shall comply with ICP when dealing with OPI

SCHEDULE “A”

Suggested provisions for written agreements with Contractors and Agents:

I. A precise definition of the scope of the Contractor’s/Agent’s duties, the area in which the services will be performed (if applicable), and the compensation of the Contractor/Agent.

II. An acknowledgement by the Contractor/Agent that it, he or she understands the provisions of Tonga and applicable local laws pertaining to anti-corruption.

representations, warranties and covenants by the Contractor/Agent relating to compliance with applicable Tonga and local laws pertaining to anticorruption; and a covenant by a Contractor/Agent whose agreement has a term (including renewal periods) in excess of one year to provide on an annual basis certification of compliance.

III. A specific acknowledgement by the Contractor/Agent that it, he or she will not make an Improper Payment (based on the defined terms in this Policy).

IV. Representations and warranties by the Contractor/Agent that, except as disclosed in writing to the Company, neither it, he or she nor any of its, his or her family members, owners, directors, officers, principals or key employees are Public Officials, and that it, he or she will promptly inform the Company of any changes in that regard.

V. A provision that the assignment of the entire agreement or any rights, duties or obligations under the agreement by the Contractor is prohibited without the Company’s prior written consent and that if the Company permits any assignment of the agreement, the resulting agreement will contain similar anti-corruption provisions as in the original agreement, and the Contractor/Agent will not by that fact be discharged from its, his or her obligations.

VI. All requests by the Contractor/Agent for expense reimbursement must be supported by documentation acceptable to the Company. Detailed records for all approved expenses shall be kept for at least the minimum period required under the applicable laws.

VII. Provision for automatic termination, at the Company's sole discretion, in the event the Contractor/Agent has made, attempted to make, makes, attempts to make, or proposes to make, an Improper Payment.

VIII. The Company has the right to audit the Contractor's/Agent's compliance with the agreement, including the expenses and invoices of the Contractor/Agent and otherwise in relation to anti-corruption laws.

SCHEDULE “B”

RED FLAGS

OPI employees must be sufficiently well-informed about the risks of conducting Company

business through Contractors/Agents to be able to identify and report red flags that appear in

relation to existing or previous relationships, such as:

- I. Country with reputation for widespread corruption.
- II. Unusual or excessive commissions or fees.
- III. Requests for cash payment or payment to offshore accounts or requests to alter or backdate invoices.
- IV. Public reports, rumors or inferences of improper payments.
- V. Unwillingness to involve or inform superiors or to certify compliance.
- VI. Lack of facilities or qualified staff.
- VII. Lack of experience or track record in the field or industry.
- VIII. Close relationships or family ties to government officials.
- IX. A potential government customer or authorizing agency is recommending the consultant or requiring the retention of that consultant as a condition of doing business.
- X. Misrepresentations or inconsistencies in the due diligence process; or
- XI. Unwillingness of the consultant to provide information to support thorough due diligence by the Company