

ANTI-BRIBERY AND CORRUPTION POLICY

First adopted by the Board on 23 July 2020

Version 1

Anti-Bribery and Corruption Policy

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Effective Date: 23 July 2020

Last Issued: 23 July 2020

Revision: N/A



1. Purpose

Australian Finance Group Ltd ('AFG') is committed to maintaining a high standard of integrity, investor confidence and good corporate governance.

Our Anti-Bribery and Corruption Policy ('Policy') forms part of AFG's risk management framework, which includes AFG's Risk Management Policy and other associated risk and compliance policies.

This Policy prohibits bribes and facilitation payments and outlines AFG's requirements for the management of political and charitable donations. This Policy is also underpinned by the AFG values:

- our actions must be governed by the highest standards of integrity and fairness;
- our decisions must be made in accordance with the spirit and letter of the applicable law; and
- our business must be conducted honestly and ethically, with our best skills and judgment, and for the benefit of customers, employees, shareholders and the AFG group alike.

There are serious criminal and civil penalties for AFG and individuals if they are involved in bribery and corruption. A breach of anti-bribery and corruption laws may result in legal or regulatory action including criminal proceedings and the revocation of licenses, significant reputational damage and/or financial loss - to employees, AFG group entities and to the AFG group as a whole.

The Policy also applies globally. If travelling outside of Australia, AFG employees are subject to the laws of the country they are in; however, the principles of this Policy must be followed regardless of whether or not that country has specific bribery and corruption laws. Where a country has specific bribery and corruption laws which are of a lesser standard to this Policy, this Policy prevails.

2. Scope

This Policy applies to anyone who is employed by or works at AFG, including employees (whether permanent, fixed-term or temporary), contractors, consultants, secondees and directors wherever located (collectively referred to as 'employees' in this Policy). Note, an employee does not include member brokers of AFG.

'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.

3. What is Bribery and Corruption?¹

'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 or provided in order to gain any commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards or other advantages.

'Corruption' is the abuse of entrusted power for private gain.

¹ As defined by Transparency International.

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4. Policy

4.1. Bribes

AFG employees are not permitted to give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly.

4.2. 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, issuing licenses and other actions of an official in order to expedite performance of duties of a non-discretionary nature (i.e. which they are already bound to perform). The payment or other inducement is not intended to influence the outcome of the official's action, only its timing.

Facilitation payments, whether legal or not in a country, are prohibited under this Policy.

4.3. Political Contributions

AFG may make donations to political parties from time to time. Individual donations² must be approved by the AFG Board and must be within the AFG Board approved financial limits. Attendance by AFG employees (in their AFG capacity) at events hosted by political parties must be approved by the CEO and Company Secretary and must be within the AFG Board approved financial limits. The Company Secretary must report all attendance by AFG employees (in their AFG capacity only) at events hosted by political parties to the Board.

4.4. Charitable Contributions

Charitable support and donations are acceptable, whether of in-kind services, knowledge, time, or direct financial contributions. However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery.

AFG can only make charitable donations that are legal and ethical under local laws and practices. In Australia, this means that an organisation must have deductible gift recipient status with the Australian Taxation Office. This status makes the organisation entitled to receive income tax deductible gifts and deductible contributions.

No donation must be offered or made on behalf of AFG without the prior approval of the CEO and Company Secretary. However, there is no need to obtain this prior approval for donations made under any workplace giving scheme established by AFG.

5. Your Responsibilities

You must ensure that you read, understand and comply with this Policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for AFG or under its control.

² Individual donations do not include attendance at events hosted by political parties which are governed by the Gift and Entertainment Procedure.

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All employees are required to avoid any activity that might lead to, or suggest a breach of, this Policy.

You must notify your manager and/or the Head of Risk & Compliance as soon as possible if you believe or suspect that a conflict with, or breach of, this Policy has occurred, or may occur in the future. Any employee who breaches this Policy will face disciplinary action, up to and including in termination of employment or engagement.

Remember, a bribe does not actually have to take place – just promising to give a bribe or agreeing to receive a bribe is an offence.

6. Record Keeping

We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

You must comply with the recording, reporting and approval requirements set out in AFG's Gifts and Entertainment Procedure and expenses policy. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments. Noting it is an offence under the *Crimes Legislation Amendment (Proceeds of Crime and Other Measures) Act 2016* for a person to make, alter, destroy or conceal an accounting document (including being reckless in their conduct which allowed such an act) to facilitate, conceal or disguise the corrupt conduct.

Please also refer to the Travel and Accommodation Policy.

7. How to Raise a Concern

Under the Code of Conduct, all AFG employees have a responsibility to help detect, prevent and report instances of wrong doing in connection with AFG's business. AFG is committed to ensuring that all employees have a safe, reliable and confidential way of reporting any suspicious activity. You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage with your manager. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries or concerns, these should be raised with your manager and/or the Head of Risk & Compliance.

If you are not comfortable, for any reason, with speaking directly to your manager, AFG has a Whistleblower Policy which affords certain protections against reprisal, harassment or demotion for making the report.

8. Monitoring and Review

Regular reviews of the Gift Register enable the identification and management of any emerging risks, e.g. if a particular company is presenting a significant number of gifts to various employees or if companies are offering frequent and substantial hospitality to employees.

Internal control systems and procedures will be subject to regular audits and reviews to provide assurance that they are effective in countering bribery and corruption. There may also be independent reviews undertaken from time to time by external audit.

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9. Training of Employees

To the extent applicable to their roles:

- new AFG employees will undertake training on this policy as part of their induction process; and
- existing AFG employees will receive updates on this policy as part of their ongoing training.

10. Periodic Review of Policy

This Policy will be reviewed every two years by the Risk & Compliance team to assess whether the Policy is operating effectively and whether any changes are required to the Policy.

11. Version Control

Version	Date	Author	Changes
1.0	23 July 2020	Legal/Risk & Compliance	First version of policy