



MACQUARIE



Anti-bribery and corruption policy

Macquarie Group

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Policy statement: The actual or attempted use of any form of bribery or corruption either directly or indirectly on Macquarie's behalf to advance its business interests or those of its associates is strictly prohibited.

1. General

1.1 Application of Policy

This document is applicable globally to all Macquarie staff employed or engaged by Macquarie Group Limited and its related bodies corporate (“Macquarie”). Macquarie staff includes Macquarie employees and all other members of staff including agency workers, consultants and independent contractors, secondees, as well as to any employees, contractors consultants, directors and officers of any entity over which Macquarie has effective control and to which the Risk Management Framework applies (“Macquarie staff”).

Where Macquarie enters into a joint-venture, it is expected that an equivalent policy is implemented in these entities.

1.2 Responsibility of ensuring adherence to the policy

Division Heads have primary responsibility for ensuring their respective businesses apply and adhere to this policy. Each Group Head is responsible for ensuring their staff and businesses for which they have responsibility comply with this and all associated policies.

All Macquarie staff are required to read, understand and comply with this policy and to follow the reporting requirements set out in this policy (Section 8) or in any associated policies.

1.3. Enquiries

Any questions relating to this or any associated policies should be referred in the first instance to Compliance.

If you are in doubt as to the propriety of a particular situation or proposed act, you should consult with Compliance at the earliest opportunity.

1.4. Review of this policy

This policy will be reviewed annually by Financial Crimes Risk.

1.5. Associated policies and related documents

Macquarie has several related global policies, governing the following areas:

- Allocation of financial products policy
- Anti-Money laundering policy
- Conflicts of interest policy
- Outsourcing policy
- Fraud policy
- Gifts and entertainment policy
- Research policy
- Political contributions policy
- Staff donations policy
- Whistleblower policy

Local policies and procedures designed to meet requirements for specific jurisdictions or businesses may also supplement this policy.

2. Policy Statement

The actual or attempted use of any form of bribery or corruption either directly or indirectly on Macquarie's behalf to advance its business interests or those of its associates is strictly prohibited.

Macquarie's involvement in activities which involve bribery and corruption is a key conduct risk faced by Macquarie, as it may have a negative impact on Macquarie's clients or counterparties or the fair or effective operation of markets in which Macquarie operates. This policy is a key control to manage this risk.

Bribery and corruption can have a significant, adverse impact on Macquarie's reputation for integrity as well as on communities where they occur. Many countries have implemented laws and regulations that prohibit bribery in both the public and private sectors.

Macquarie is committed to operating within the laws of any jurisdiction in which Macquarie does business and moreover to operate in a way that is consistent with *What We Stand For*. In addition, this ensures that we safeguard Macquarie's reputation and consumer and business confidence.

Bribery and corruption are incompatible with the *Code of Conduct* and the probity and integrity expected of all Macquarie staff.

This policy sets out requirements and must be read in conjunction with the Macquarie Group *AB&C Global Framework* and any associated policies, procedures or local variations (together "associated policies"). In the event of a discrepancy or conflict between this policy and associated policies, the more restrictive requirements will apply.

Failure to comply with the requirements in this or any associated policy may result in disciplinary action, up to and including termination of employment or other contractual arrangements.

3. Bribery and Corruption Defined

3.1 What is Bribery and Corruption?

For the purposes of this policy:

- A "bribe" is anything of value given, offered, promised, accepted, requested or authorised (in each case, directly or indirectly) with the intent that a person who is trusted or expected to act in good faith or with impartiality, performs that function improperly or in order to obtain or retain an advantage in the course of business.
- "Anything of value" includes cash, gifts, hospitality, expenses, reciprocal favours, business or employment opportunities, political or charitable contributions and a range of other direct or indirect benefits.
- "Corruption" is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

Acts of bribery or corruption involve the undue influence of an individual in the performance of their duty, whether in the public or private sector.

Indirect benefits can be bribes.

Macquarie staff must be alert to the possibility that a benefit given or offered to an associate, such as a relative or business partner, or channelled through an agent or other intermediary, may be a bribe. Recklessness or "wilful blindness" to such incidences is likely to be in contravention of applicable laws and/or regulations and will amount to a breach under this policy.

3.2 Facilitation payments

Facilitation payments are payments made directly to a government official or employee for their personal benefit, to expedite or secure the performance of governmental action by a governmental agency (e.g., to facilitate the expedition of applications, minor licences, etc.).

3.3 Other conduct

Other behaviour which could constitute bribery and corruption includes political or charitable contributions/donations, sponsorship, offsetting arrangements and “revolving doors” arrangements, where such behaviour seeks to improperly influence an individual or organisation. Refer to the relevant policies listed in Section 9 for further details.

4. Types of Bribery and Corruption

4.1 Political and Commercial Corruption

There are two types of corruption: political corruption and commercial (or corporate) corruption.

Political corruption is the dysfunction of a political system or institution in which government officials, political officials or employees seek illegitimate personal gain through actions such as bribery, extortion, cronyism, patronage and embezzlement.

Commercial corruption occurs when bribes are requested by, or offered to agencies, institutions or individuals to win a contract or gain some other commercial benefit or advantage.

Acts of bribery or corruption commonly, but not always, involve public or government officials, their associates or anyone who is entrusted with power and/or information. Such persons could include (but are not limited to):

- A public official, whether domestic or foreign;
- A political candidate, political party, or party official;
- A representative of a government-owned or controlled organisation;
- An employee or representative of a public international organisation;
- Any other person(s) performing a function of a public nature; or
- Any third parties referred to in Section 4.2 below.

Throughout Macquarie's business dealings, opportunities for the act of bribery or corruption will usually present itself in one of two forms: when dealing with third parties; or when providing or receiving gifts and/or entertainment.

4.2 Dealing With and Through Third Parties

Where third parties are engaged to perform services for or on behalf of Macquarie, their behaviour and actions are likely to reflect on Macquarie, and in some cases Macquarie will be potentially liable for the acts of those third parties. Third parties performing services on or behalf of Macquarie must not give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly.

For the purposes of this policy, third parties include intermediaries, agents, representatives, officials, external consultants (political or otherwise), brokers (introducing or otherwise), distributors, vendors, suppliers, contractors, JV/ consortia partners, lobbyists/activists or any other third party acting for or on behalf of, or providing services to Macquarie.

It is important that any business engaging a third party to act for, or on behalf of Macquarie, takes appropriate steps to ensure their actions and behaviour will not reflect poorly on Macquarie or expose Macquarie to potential criminal or other regulatory liability. Amongst other things, this means that sufficient due diligence must be undertaken on third parties to ensure that they are suitable to be associated with Macquarie, and that appropriate controls are implemented, designed to prevent and detect bribery and corruption.

For example, particular care must be taken with respect to arrangements with consultants, agents or third parties, who assist in securing business, arrange introductions to key business and government decision-makers, act according to local customs which are incompatible with this policy, or provide services in a higher risk jurisdiction (as detailed in Macquarie's Jurisdictional Risk Matrix).

Contractual warranties, enhanced due diligence, communications, training, monitoring and auditing (e.g., expense reimbursements, especially for gifts and entertainment) should all be considered to ensure the third parties we engage will not bribe or perform a corrupt act on Macquarie's behalf or for which Macquarie may be responsible or otherwise liable under anti-bribery or anti-corruption legislation.

4.3 Gifts and Entertainment

Macquarie's *Gifts and Entertainment policy* prohibits, and Macquarie staff must take reasonable steps to avoid, giving or accepting gifts and entertainment that are intended to, or may, improperly influence them or others, or may be perceived to be improperly influencing others.

All expenditure must be included on expense reports and approved under standard Macquarie procedures. All gifts and entertainment, including gifts or entertainment paid for by cash or personal credit cards which are provided on behalf of Macquarie, must be recorded in the Gift and Entertainment disclosure form on PTA, in accordance with the *Gifts and Entertainment policy* and any necessary approvals obtained.

If you are uncertain whether a gift or entertainment is appropriate, you should consult with Compliance, who can assist you and provide guidance.

Further information is available in the *Gifts and Entertainment policy* and associated regional, business and country guidance.

5. Prohibition on Bribery and Corruption

Macquarie staff must not give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly.

Bribery and corruption are illegal under the laws of many jurisdictions in which Macquarie operates and may expose Macquarie and the individual Macquarie staff member to criminal penalties, including unlimited fines and imprisonment. Even if a certain action is legally carried out in one jurisdiction, it may be the case that this constitutes an offence under the laws of another jurisdiction, which may be extra-territorial in nature. Additionally, the relevant Macquarie staff member may be subject to internal disciplinary action, up to and including termination of employment or other business or contractual relationships.

Bribery and corruption are also incompatible with the *Code of Conduct* expected of Macquarie and Macquarie staff, and the general probity expected of all Macquarie staff.

Macquarie strictly prohibits the use of facilitation payments, regardless of whether such payments are legal or common practice in a particular jurisdiction. This prohibition also applies to third parties acting on Macquarie's behalf and it is important that this is clearly communicated to any such third party prior to their engagement.

Payments made through official government agency channels which are not for the direct personal benefit of an individual government official or employee (for example, a priority processing fee for a visa as part of a government agency's official tariff) are not examples of bribes, and are not prohibited for the purposes of this policy.

6. Acceptable Conduct

Macquarie acknowledges when conducting normal business, staff will from time to time entertain clients, be entertained by service providers, or offer gifts of nominal value in appreciation of work performed. Such activities are acceptable within the boundaries of this and other related policies, such as the *Gifts and entertainment policy*.

Reasonable expenditure on Macquarie-branded gifts, meals and entertainment is permitted where the expenditure:

- is for the purpose of general relationship building;
- cannot reasonably be construed as an attempt to improperly influence the performance of a relevant function;
- complies with all applicable laws and regulations; and
- is otherwise lawful in the jurisdiction in which the expenditure is made and from which it is paid.

Macquarie has specific policies regarding political contributions and charitable donations. In certain cases these remittances are permissible, but must also be assessed and considered against the Anti-Bribery and Corruption policies outlined in this document.

It is not possible to be prescriptive as to the types of expenditures that are acceptable. Much will depend on the particular circumstances surrounding the proposed expenditure, its timing and value, including its relative value in the country where it is received. It is a matter that must be approached conservatively. There may also be specific rules relating to government departments, public bodies, private sector organisations and tender processes with which Macquarie is involved.

7. Steps taken by Macquarie to Prevent Bribery and Corruption

7.1 Obligation to prevent bribery and corruption

Macquarie is obliged by law to have procedures in place to prevent bribery and corruption.

7.2 Requirement to Assess Bribery and Corruption Risk

Each Macquarie business must perform a risk assessment exercise to identify and address bribery and corruption risk.

Such risk assessment should be comprehensive, conducted on a periodic basis and identify Macquarie staff and third parties who are considered to be higher risk (i.e., operate in a high-risk jurisdiction or industry susceptible to corruption or bribery, and perform a number of “higher risk activities”). These activities include (but are not limited to): winning or maintaining business or licences; procurement; and involvement in offering and receiving both financial and non-financial benefits, such as donations, gifts and entertainment, research and financial product allocations.

7.3 Requirement to Apply Adequate Controls and Conduct Training

Each Macquarie business must apply controls tailored to manage the risks identified through its risk assessment process.

These controls should include appropriate training to ensure Macquarie staff understand the particular bribery and corruption risks inherent within their business areas.

8. Reporting Bribery and Corruption

Macquarie staff must report suspected or actual instances of bribery or other corrupt practices to Compliance, Legal or the Macquarie Integrity Officer, or report anonymously using the Macquarie Staff Hotline, at the earliest opportunity.

Macquarie staff members who make such reports will be protected from any victimisation or detrimental action in reprisal for the making of a report in accordance with the applicable local Whistleblower policy.