

Anti-Bribery and Corruption Framework

Macquarie Group



1 Introduction

Macquarie is committed to operating within the laws of any jurisdiction in which it does business, and in a way that is consistent with our Code of Conduct and *What We Stand For*.

Macquarie has implemented a robust framework to deter and prevent bribery and corruption. Macquarie's *Anti-Bribery and Corruption Policy* prohibits 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. The framework and Policy are designed to safeguard Macquarie's reputation, consumer and business confidence.

2 Identifying and preventing bribery and corruption

2.1 Defining bribery and corruption

For the purposes of Macquarie's 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.

"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 generally involve the undue influence of an individual in the performance of their duty, whether in the public or private sector.

2.2 Prohibition on bribery and corruption

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

Facilitation payments

Macquarie also prohibits the use of facilitation payments (payments made directly to a government official or employee for their benefit, to expedite or secure the performance of governmental action by a government agency), whether directly or through third parties.

3 Types of bribery and corruption

Macquarie's Policy identifies bribery and corruption risks in three key areas:

- Dealing with and through third parties;
- Gifts and Entertainment; and
- Facilitation Payments

4 Steps taken to prevent bribery and corruption

Macquarie has systems and controls in place to prevent bribery and corruption.

Risk assessment

These include periodic risk assessments to identify and address bribery and corruption risk and controls tailored to manage the risks identified through this process.

Policies and procedures

Bribery and corruption risks are addressed through a number of other Macquarie policies and procedures, including our *Anti-Money Laundering and Counter-Terrorism Financing Policy*, incorporating Client Identification Procedures.

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.

Macquarie also maintains a *Whistleblower Policy* and framework which promotes the escalation and reporting of matters including bribery and corruption. Staff are encouraged to raise matters through line management or to compliance, and can also approach the Integrity Office (in all regions) or anonymously through an externally-hosted staff hotline.

Due diligence

In dealing with third parties, the Policy requires sufficient due diligence to be undertaken 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. This is to ensure the third parties Macquarie engages will not bribe or perform a corrupt act on Macquarie's behalf or for which Macquarie may be responsible or otherwise liable.

Such third parties associated with Macquarie are in turn expected to have appropriate due diligence arrangements and controls in place in relation to the other parties they engage with for and behalf of Macquarie, to ensure that controls are implemented to prevent, detect, mitigate and manage any potential B&C risks in respect of the services provided.

Monitoring and review

Macquarie performs payment monitoring, including monitoring for bribery 'red flags' and Macquarie's independent compliance function conducts periodic risk-based monitoring of gifts and entertainment.

Training and communication

Macquarie promotes staff awareness of, and compliance with the Anti-Bribery & Corruption framework through the appropriate dissemination of the Policy and procedures (including disciplinary procedures) and training on induction and periodically thereafter.

5 Disclaimer and limitation

This document is a summary of Macquarie's Anti-Bribery and Corruption Policy and framework. It is not intended to create third party rights or duties or to form part of any contractual agreement between Macquarie and any other party.