



ANTI BRIBERY AND CORRUPTION POLICY AND PROCEDURES ("ABC POLICY")

Policy Owner	Chief Operating Officer
Compliance	Mandatory
Approved by	Managing Director
Document	Policy and Procedure
Effective Date	February 2015
Last Revised	April 2012
Next Review	October 2016
Contact	COO or Company Secretary

Message from the Managing Director

Meat & Livestock Australia Limited ("**MLA**") is committed to conducting its business in a fair and ethical way, without using unlawful practices to obtain unfair advantages in our business dealings.

MLA operates in a global economy in which business ethics now play an increasingly important role. Bribery and corruption are unacceptable ways of conducting business. Bribes and corrupt practices are morally unacceptable, as they harm societies in which these acts are committed and prevent economic growth and development. They are also illegal in most countries around the world. As an international organisation, we must ensure that we operate within the laws of Australia as well as the laws of all the countries in which we are active. Any MLA director, officer or employee, or any person performing services on behalf of MLA, who engages in bribery or corrupt practices risks severe consequences for both the company and themselves, such as prosecution, fines, imprisonment and reputational damage.

The MLA Board of Directors ("**the Board**") considers compliance with Anti-Bribery & Corruption laws to be not only a legal requirement, but a reflection of the company's strong business ethics. The Board is committed to this ABC Policy which will be communicated to all MLA employees and business associates working on our behalf. Any breach of the ABC Policy will be regarded as a serious matter and may result in disciplinary action, dismissal or termination of contract.

The ABC Policy is designed to help you to recognise potential bribery and corruption issues, to give you guidance on acceptable and unacceptable behaviour and to tell you where to go for further information.

Thank you for your support and commitment.

Richard Norton
Managing Director



Contents

1.	WHO DOES THIS POLICY APPLY TO?	4
2.	THE MLA ANTI-BRIBERY & CORRUPTION POLICY	4
3.	WHAT ARE 'BRIBERY' AND 'CORRUPTION'?	4
4.	FACILITATION PAYMENTS	5
5.	GIFTS AND HOSPITALITY	6
6.	DONATIONS AND SPONSORSHIPS	8
7.	WORKING WITH GOVERNMENTS AND GOVERNMENT OFFICIALS	9
8.	WORKING WITH BUSINESS ASSOCIATES	10
9.	DOCUMENTATION AND RECORDKEEPING	11
10.	BRIBERY AND CORRUPTION RED FLAGS	11
11.	CONSEQUENCES OF BREACHING THIS POLICY	12
12.	ASKING QUESTIONS AND REPORTING CONCERNS	12

1. WHO DOES THIS POLICY APPLY TO?

This policy applies to MLA and its subsidiaries, its directors, officers and employees worldwide ("**Employees**") and any contractors, agents, distributors or other third parties ("**Business Associates**") engaged to provide services on behalf of MLA.

The ABC Policy is based on internationally accepted best practice guidelines and applies in all jurisdictions where MLA does business. The ABC Policy must be adhered to in all MLA business dealings and transactions in all countries in which MLA, our Employees and Business Associates operate. It applies to all transactions with domestic or foreign government / public officials and transactions with private companies or persons.

All of MLA's Employees and Business Partners are individually responsible for complying with the ABC Policy and any breach may lead to disciplinary action, dismissal or termination of contract.

The ABC Policy will be communicated to all Employees within MLA and its subsidiaries, as well as relevant Business Associates.

2. THE MLA ANTI-BRIBERY & CORRUPTION POLICY

- **MLA will not engage in bribery or corruption in any form, whether it involves individuals or companies in the public or private sector;**
- **MLA will not directly or indirectly accept, request, agree to receive, promise, offer or give a bribe;**
- **MLA will comply with all applicable anti-bribery and corruption laws in Australia and all other jurisdictions in which it operates; and**
- **MLA will not permit Business Associates or any other third parties to pay bribes on its behalf.**

MLA prohibits any act of bribery or corruption and applies a "zero tolerance" approach to violations of the ABC Policy by Employees and Business Associates. Any breach will be treated seriously and may result in disciplinary action, dismissal or termination of contract.

All MLA business activities must be conducted in full compliance with the ABC Policy and all applicable anti-bribery and corruption laws including, but not limited to, the Commonwealth of *Australia Criminal Code Act 1995*, the *UK Bribery Act 2010* and the *US Foreign Corrupt Practices Act 1977 (FCPA)*.

To the extent that laws and regulations in any countries in which MLA operates are more rigorous or restrictive than this ABC Policy, those laws and regulations should be followed.

3. WHAT ARE 'BRIBERY' AND 'CORRUPTION'?

Bribery is:

- the offering, promising, giving, requesting or accepting
- of a payment, inducement, reward or anything of value
- for an act or omission which is illegal, unethical or a violation of our internal policies,
- which is given with the intention of obtaining or retaining business, or an advantage in the course of business, or with the intention that the recipient act improperly in some way.

Example: MLA invites a trade delegation from Indonesia to a conference. A member of the delegation is in a position to determine whether a particular Australian red meat supplier will win a lucrative contract in Indonesia. MLA makes arrangements for this individual and his wife to have an all expenses trip to Australia, staying in a resort on the Gold Coast in exchange for his influence in the award of that contract.

Corruption is the misuse of public office or power for private gain.

Example: A public official appoints MLA to manage a research contract on behalf of a government department, even though MLA's credentials do not meet the required standards for the issue of the contract, in return for giving his son a summer job.

Bribes can be given in many forms and do not necessarily involve payments of cash. A bribe could be anything of value, for example:

- **Kickbacks** - where a percentage from a contract is improperly returned to the person awarding that contract.
- **Facilitation payments or "grease" payments** - usually small, non-discretionary payments to government / public officials to speed up routine **administrative** processes (see more on this in section 4 below).
- **Inflated commissions** - where **higher** than normal commissions are paid as a reward for improper behaviour.
- **Political or charitable donations** - can be used as bribes, e.g. making a donation to a political party in exchange for their support for legislation that is **favourable** to MLA's business or the Australian red meat industry or to a charity which is used to funnel money to local government officials.
- **Excessive or inappropriate entertainment** - can **be** used to influence business contacts.
- **Expensive gifts** - can be given to influence the **recipient**.

It is an offence for companies or individuals to *directly* or *indirectly* bribe another person, receive a bribe or bribe a foreign government official

To "indirectly bribe another person" involves offering or giving something of value to a third party acting on your behalf, knowing or intending that the third party will go on to bribe another.

It is unlawful to offer a bribe, regardless of whether the offer is accepted or the benefit gained.

Under the *UK Bribery Act*, a company can be prosecuted for failing to prevent its employees, or any third party acting on the company's behalf, from paying bribes to obtain or retain business for the company, or a business advantage for the company.

Some countries have laws (e.g. the US FCPA and UK Bribery Act) which grant prosecutors authority to prosecute bribery and corruption offences whether the offence occurs within or outside their borders provided there is some link to the prosecuting jurisdiction.

4. **FACILITATION PAYMENTS**

A facilitation payment is an unofficial cash payment to a government official, which is demanded or paid to enable or speed up a routine government process which the government official is already duty bound to perform, e.g. processing papers or customs clearance.

Although certain jurisdictions, including Australia and the US, permit facilitation payments in very limited circumstances, the majority of anti-bribery and corruption laws do not distinguish between bribes and facilitation payments. MLA has adopted the highest international anti-bribery and corruption standards and therefore facilitation payments are not permitted.

- **Employees and Business Partners must not, directly or indirectly, offer, promise or give a facilitation payment to a government official without prior approval of the Managing Director.**

- **Facilitation payments will only be permitted where a person's physical safety or liberty are threatened.**

Where a person's physical safety or liberty would be at risk if a facilitation payment was not paid, you must:

- as soon as practicable report the request to your immediate manager or General Manager or MLA contact for Business Associates;
- obtain approval from the Managing Director or MLA's Legal Counsel prior to making any payment if possible;
- if approval is granted, submit a payment report to MLA's Legal Counsel at the conclusion of the process stating:
 - the amount paid;
 - date and purpose of payment;
 - why the payment was unavoidable;
 - recipient of the payment;
 - outcome/consequences of the payment.

If it is not possible, due to the threat of physical violence or detention, to seek prior approval in advance of making payment, you must report the payment and provide the above details to MLA's Legal Counsel immediately thereafter.

Example: MLA is assisting a red meat supplier in exporting branded beef into Japan. The paperwork is accurate, complete and was filed on time, but the produce has not cleared through customs because of a delay at the government office processing the exportation documents. One of MLA's managers is anxious to assist with obtaining the clearance as time is of the essence for the supplier in exporting this beef. The MLA manager offers the relevant government office money to speed up the processing of the exportation documents.

This would be a breach of the ABC Policy. A facilitation payment has been made to a government official to speed up a routine governmental action.

5. GIFTS AND HOSPITALITY

MLA's *Code of Business Conduct & Ethics* permits MLA employees and Business Associates to accept invitations to reasonable corporate events that will help encourage good working relationships between MLA and its suppliers and to accept gifts which are of a nominal value and which are consistent with normal business practices and/or local customs. However:

- **Employees and Business Associates must never use gifts or hospitality to improperly influence the business decision-making process or cause others to perceive an improper influence.**
- **Always follow this ABC Policy when giving or receiving a gift or hospitality. This will explain what is prohibited and permitted and whether you need permission to give or accept gifts or hospitality.**
- **You must never give or accept:**
 - **cash or cash equivalents** (see further below)
 - **loans**
 - **travel and / or accommodation costs for family members**
 - **events or meals where you are not present; or**

- **gifts or hospitality during periods when important decisions, regarding the award or retention of business, are being made.**
- **Gifts or hospitality to the value of AUD\$75 (or local equivalent) per person may be given or received in tier 1 countries (see below) without prior written approval.**
- **Gifts or hospitality to the value of AUD\$30 (or local equivalent) per person may be given or received in tier 2 countries (see below) without prior written approval.**
- **All other gifts or hospitality must be approved in writing in advance by your General Manager.**

Tier 1 countries include Albania, Australia, Belgium, Canada, Chile, Estonia, Finland, France, Germany, Hungary, Italy, Japan, Korea, Latvia, Lithuania, Malaysia, New Zealand, Poland, Portugal, Puerto Rico, Romania, Russia, Slovakia, Slovenia, South Africa, Spain, Taiwan, Thailand, Turkey, UAE and UK.

Tier 2 countries include Argentina, Brazil, Bolivia, Bosnia and Herzegovina, Bulgaria, China, Colombia, Croatia, Czech Republic, Dominican Republic, Ecuador, Egypt, El Salvador, FYR Macedonia, Georgia, Greece, Guatemala, Honduras, Hong Kong, India, Indonesia, Kazakhstan, Kyrgyzstan, Mexico, Moldova, Montenegro, Morocco, Nicaragua, Panama, Peru, Philippines, Russia, Saudi Arabia, Serbia, Ukraine, Uruguay, and Venezuela.

The cost of any hospitality or gift must be kept within the limits set out above. Where a proposed gift or hospitality is above the limit, you must seek prior written approval from your General Manager or seek advice from MLA's Legal Counsel. When seeking approval, you should provide details of the intended recipient(s), the purpose of the gift or hospitality and the total value of gifts and hospitality provided to that individual in the last year. General Managers must retain a copy of the request and, if granted, their approval.

It is important to consider that a bribe could be made up of many small gifts or many occurrences of providing hospitality over a period of time.

MLA recognises that certain of the jurisdictions it operates in have a cash culture where, for example, travel costs for attendees at seminars or workshops are required to be paid in cash. Please refer to the [Cash Payments Policy for your jurisdiction] to determine the circumstances in which such cash payments are permitted.

You must not try to hide improper gifts and hospitality by giving or receiving them through a third party.

The occasional acceptance or offer of modest gifts and hospitality may be a legitimate contribution to good business relationships. There may also be times when refusing to accept gifts or hospitality or declining to provide them would be considered impolite, e.g. where it is local custom. Notwithstanding this, you must comply with this ABC Policy.

You should consider the following questions before accepting or offering a gift or hospitality:

- Could my acceptance or offer lead to an obligation on MLA, or imply such an obligation?
- Is this gift or hospitality event a 'reward' for the award or retention of business or a business advantage for MLA or its members?
- Does the gift or hospitality seem to be excessive or expensive in any way?
- Am I likely to breach any applicable laws?
- Would I or MLA be embarrassed if this gift or hospitality were to be reported in the press?

If the answer to any of these questions is yes, the gift or hospitality should not be offered or accepted. If you are in doubt, you should refuse to make or receive the gift or hospitality and/or seek advice from MLA's Legal Counsel.

Example: MLA is involved in trade negotiations with Russia to achieve access for Australian beef in the market. The achievement of such access would significantly increase income and opportunity for exporters of Australian beef. The MLA employee negotiating with the individual in charge of market access decisions arranges for the individual and his wife to fly to Sydney for a luxury break. MLA did not subsequently achieve success in re-establishing import quotas.

This would be a breach of the ABC Policy. Although MLA did not achieve its goal, hospitality was used in an attempt to improperly influence the decision-making process.

6. DONATIONS AND SPONSORSHIPS

- **All MLA sponsorships must be approved in writing by the Managing Director in advance.**
- **MLA prohibits its Employees and Business Associates from making donations to political parties or individual politicians on its behalf.**
- **As MLA is a not for profit organisation, it is not our practice, nor consistent with our objects, to make charitable donations. MLA will not provide charitable donations to organisations or individuals.**

As bribes can be concealed in the form of charitable, political, educational or other donations or sponsorships, you must not agree to make such payments on behalf of MLA unless you have prior written approval as set out above.

Sponsorships must only be made to organisations and not to an individuals. MLA has a separate scholarship program for the award of stipends to individuals which are subject to separate rules and selection criteria. Prior to awarding sponsorships, research must be carried out to ensure that the organisation is registered as a corporate entity under the local country's laws, or is otherwise a legitimate entity. Due diligence must also be undertaken on the organisation itself and on its managers and representatives. The findings of such due diligence should be included in the project documentation when seeking approval for the sponsorship. Details of all sponsorships must be documented and processed through SAP for approval prior to payment being made.

We recognise the right of Employees and Business Associates as individuals to make political and charitable donations and sponsorships. This is permitted, subject to making it entirely clear that your donation is personal in nature and not made as a representative of MLA, and that your views and actions are your own. In addition, individuals are asked to give consideration to potential conflicts of interest in their professional capacity and their personal affiliations to political parties, charities or sponsorship beneficiaries.

Example: MLA, among others, is approached to manage a research program on behalf of a government agency. A senior MLA manager has dinner with the government employee in charge of deciding who should manage and conduct the research. During the dinner, the government employee indicates that MLA is more likely to be successful in its application to manage the program if a donation is given to the charity that his wife works for. As a result, the senior MLA manager makes a substantial payment to the charity in question, and MLA is awarded the contract.

This would be a breach of the ABC Policy. A donation to charity was given as a bribe in order to obtain an advantage for MLA.

7. WORKING WITH GOVERNMENTS AND GOVERNMENT OFFICIALS

- Whenever MLA deals with any national or local governments, government agencies, government or other public officials or public international agencies, our Employees and Business Associates must apply the highest ethical standards and comply with all applicable laws.
- Improper or secret payments or improper transfers of any value (including 'facilitation payments') made to government officials are prohibited.
- Improper payments or transfers of items of value made through intermediaries, or to a third party, while knowing that all or a portion of the payment will go directly or indirectly to a government official are prohibited.
- No one acting on behalf of MLA should exert, or attempt to exert, any improper or illegal influence on government officials.
- If asked to provide information in connection with a government or regulatory agency enquiry, you must always seek advice before responding and then ensure that all information provided is truthful and accurate.

You should take extra care when dealing with government officials. It is against our ABC Policy to bribe any government official anywhere in the world. Most countries in the world have made it an offence to bribe their own government officials; many have also made it an offence to bribe a foreign government official. Under UK legislation, the definition of bribery includes a person making a payment with the intention of "influencing" a foreign government official, in their capacity as a government official, with the intention to obtain or retain business or an advantage in the course of business. This is a very low threshold - there is no requirement that the person paying the bribe intends the government official to act "improperly" in any way.

A "government official" is defined as:

- an officer or employee of a government or any department, agency or instrumentality thereof, including anyone who holds a legislative, administrative or judicial position of any kind, whether elected or not, or who exercises a public function for or on behalf of a country or territory or for any public agency or public enterprise of a country or territory (e.g. civil servants, local government and the armed forces);
- an officer, agent or employee of a "public international organisation" (e.g. the United Nations, the World Bank, the European Commission);
- any person acting in an official capacity for or on behalf of any government (or any department, agency or instrumentality thereof) or any public international organisation;
- an employee of a company or other business entity in which a governmental body has an ownership interest and / or over which such governmental body may, directly or indirectly, exercise a dominant influence (e.g. state owned commercial enterprises);
- a political party or a member of a political party or a candidate for political office; and
- any person known or suspected to be a close family member or associate of any of the above, or companies who are controlled by close family members or associates of any of the above.

Example: MLA engages a media agency to assist in marketing Australian meat in the Middle East. MLA requires a licence from the local government for certain elements of the media campaign and the media agency applies for the licence on its behalf. MLA's campaign does not strictly meet the requirements under the licence application, but a local government employee agrees to overlook this issue in exchange for a payment. The agent informs MLA of this and makes the payment. The licence is granted.

This would be a breach of the ABC Policy by the agent and MLA. A Business Associate has been used by MLA to make an improper payment to a government official to influence his actions and cause him to act improperly for the benefit of MLA.

8. WORKING WITH BUSINESS ASSOCIATES

- **MLA expects Business Associates to adopt a "no bribes" policy and to comply with this ABC Policy when conducting business on MLA's behalf.**
- **MLA forbids Business Associates and Employees from using third parties to undertake any activity which they are prohibited from engaging in under the ABC Policy.**
- **Prior to engaging Business Associates, due diligence must be performed to assess the bribery and corruption risk of working with them (see further below).**
- **Business Associates should be supervised and monitored to ensure they are complying with the ABC Policy. Where breaches are identified, immediate remedial action must be taken. This may require termination of the relevant contract.**
- **Payments must never be made through or to a Business Associates if you know or suspect that all or part of the payment will be used for a purpose which violates the ABC Policy.**
- **You must not allow Business Associates to represent MLA in high risk situations without proper supervision, e.g. in dealings with government officials.**

When undertaking due diligence on Business Associates prior to engagement, you must assess whether they:

- have any record or a reputation for corruption, including whether they are being investigated or prosecuted for any corruption-related offence, or have been convicted / sanctioned for such an offence
- have a reputation for corruption
- have been disbarred from practice, if the third party is a lawyer or other professional, or
- are related or closely connected to a government official who will be involved with, or can influence the process for which, the third party has been engaged.

When engaging a Business Associate to act on behalf of MLA:

- compliance with the ABC Policy should be made a condition of the contract of engagement
- payments, especially commission based payments, must be reasonable and accurately reflect the value of the services to be provided by the Business Associate
- the Business Associate should have a proven track record in the business discipline and geographical location concerned
- we should know whether the Business Associate has any connections to government or government officials
- the services to be rendered by the Business Associate must be legitimate, and the nature of the services, as well as the price, must be accurately described in a written contract
- consideration should be given, together with MLA's Legal Counsel, to the content of the written contract, which may need to include provisions such as: covenants and undertakings from the Business Associate that it will not engage in bribery or corrupt activity; reasonable access for MLA to the Business Associate's books and records; annual compliance certifications; payment restrictions; termination rights; and covenants that the Business Associate will indemnify MLA from breaches of applicable anti-bribery and corruption laws, if allowed by such laws, and

- payments should not be made to unnamed accounts or offshore locations unconnected with the Business Associate or the country where the work is carried out, unless there are genuine and legitimate reasons for doing so.

Example: MLA has an office in Korea. It has made an error in failing to keep the corporate register up to date and may be subject to a significant fine. MLA engages a consultant to advise. MLA is aware that the consultant's wife is a close family member of the regulator and asks him to use his influence with the regulator to minimise any fine MLA may have to pay. The consultant reaches an agreement with the regulator that MLA will pay a reduced fine if a portion of the reduction is paid directly to the regulator.

This would be a breach of the ABC Policy. MLA has asked a Business Associate to influence a government official in the conduct of their duties. Due diligence checks may have revealed that this consultant was a high bribery and corruption risk, requiring a greater level of oversight by MLA management.

9. DOCUMENTATION AND RECORDKEEPING

Many businesses have faced sanctions in the past for offences such as failing to maintain accurate books and records, for false accounting and for misleading auditors. If a bribe is described as a "consultancy payment", this in itself could constitute an offence, leading to significant fines for MLA.

- **MLA requires all of its businesses to maintain accurate books and records.**
- **Accurate and complete records of all business transactions must be kept:**
 - in accordance with generally accepted accounting principles and practices,
 - in accordance with MLA's accounting and finance policies, and
 - in a manner that reasonably reflects the underlying transactions and events.

It is the responsibility of all Employees to ensure that all business transactions are recorded honestly and accurately and that any errors or falsification of documents are promptly reported to the appropriate member of the senior management team of the relevant MLA entity, and corrected.

10. BRIBERY AND CORRUPTION RED FLAGS

The following 'red flags' are some common indicators of bribery and corruption (note, this list is not exhaustive):

- A request for abnormal cash payments
- Pressure exerted for payments to be made urgently or ahead of schedule
- Requests for commission payments which do not match the level of services being provided by Business Associates
- Payments being made through unrelated third parties / offshore countries / family members
- Expensive gifts being given or received
- A colleague who is reluctant to take time off (even if ill) or who insists on dealing with specific Business Associates him / herself - they may be worried that improper activity or an improper business relationship will be uncovered if someone else takes over their workload
- Abuse of the decision-making process or delegated powers in specific cases

- The failure of government officials or customers to follow their own required processes (including contracting processes) when contracting with MLA
- Invoices being agreed to in excess of contractual terms without reasonable cause
- Missing documents or records regarding meetings or decisions
- Internal procedures or guidelines not being followed
- Making funds available for high value expenses relating to Business Associates e.g. charities or school fees.

11. CONSEQUENCES OF BREACHING THIS POLICY

If you fail to follow the ABC Policy, you put yourself, your colleagues and MLA at risk, and your act or omission may result in disciplinary action, dismissal or termination of contract. In addition, you and MLA could be committing a serious criminal or civil offence, which may result in a large fine for MLA, confiscation of assets and imprisonment or a fine for you and anyone else involved.

12. ASKING QUESTIONS AND REPORTING CONCERNS

If you have any queries in relation to the ABC Policy or the applicable laws, please contact:

- a General Manager;
- the People & Values Manager;
- MLA's Legal Counsel
- the Company Secretary; or
- the Managing Director.

If you suspect, or believe that the *Code of Business Conduct and Ethics* or the ABC Policy has been, or is being breached, you have an obligation to report your concerns to someone who can deal with the situation. You must not ignore your concerns. Immediately contact:

- a General Manager;
- the People & Values Manager;
- MLA's Legal Counsel'
- the Company Secretary; or
- the Managing Director.

If you do not wish to report directly to the individuals listed above, you are able to make a report to MLA's independent and confidential external whistleblowing hotline called STOPline (please refer to the *Whistleblowing Policy* for more information).

Your concerns will be taken seriously and investigated quickly. Where permitted by local law, your anonymity will be protected if you wish. You can be absolutely sure that MLA will not tolerate retaliation directed against anyone who makes such a report. We will protect anyone who makes a legitimate report. However, anyone who files a knowingly untrue report for illegitimate purposes or to threaten or damage any Employee's reputation, will be subject to disciplinary action.

All significant issues will be reported to the Managing Director, who will report any material breaches to the Audit & Risk Committee of the Board.