

Anti-Bribery and Corruption Policy

Effective date: 30 January 2024

Reviewed: Annually

Owner: Compliance Manager

Approval: Compliance Manager

Policy

RFM is committed to establishing an anti-bribery and corruption (ABC) policy to manage the risk of bribery and corruption within RFM owned and/or managed entities.

RFM's fundamental values include maintaining a high standard of integrity, investor confidence and good corporate governance.

Purpose

The purpose of this policy is to ensure RFM has arrangements in place to prevent, detect, report, and respond to bribery and corruption and related activities.

This involves implementation, continuous monitoring and improvement in the areas of planning, prevention, detection and response.

Scope

This policy applies to RFM and all entities which are owned and/or managed by RFM and their employees.

Related policies

- Anti-Money Laundering and Counter Terrorism (AML/CTF) program
- Code of Conduct
- Conflict of Interest Management Policy
- Delegations Policy
- Procurement Policy
- Risk Management Policy
- Whistleblower Policy

Need help?

Any queries regarding this policy should be directed to the Compliance team.

What is Bribery and Corruption?

1. Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.
2. Corruption is defined as the abuse of entrusted power for private gain.
3. For RFM this can include:
 - material and deliberate misstatement of accounting information for an improper purpose
 - overcharging for goods and services
 - tax evasion
 - money laundering
 - insider trading and/or theft of intellectual property
 - theft of plant and equipment by employee
 - theft of inventory or cash by an employee
 - facilitation payments
 - influencing a public official.¹

Policy Statement

4. All RFM business activities must be conducted in full compliance with this policy, RFM's Code of Conduct and any applicable anti-bribery and corruption laws in Australia.
5. RFM prohibits any act of bribery or corruption and applies a "zero tolerance" approach to violations of this policy and any applicable anti-bribery and corruption laws.

Planning

6. This policy forms an integral part of RFM's overall risk management plan. It relates to identified business risks which are controlled by the application of risk management principles and are directly related to this plan.

Prevention

7. RFM has implemented initiatives and processes to aid prevention of potentially fraudulent activities, including:

Integrated Framework	All staff are aware of this policy and its application and their responsibilities under the policy.
Codes of behaviour and compliance	<p>Compliance with RFM's Code of Conduct and Employee Policies - Handbook (all staff)² and Board Charter (Directors)³.</p> <p>RFM employees have various disclosure requirements. These are advised in the Code of Conduct and staff will receive regular updates via the Dashboard, at staff meetings and other RFM systems.</p>

¹ National Anti-Corruption Commission Act 2022

² Located in Employment Hero

³ Included in the Corporate Governance Charter which is located on the Dashboard and website

	Responsibility for monitoring compliance is assigned to the Compliance Manager who reports any non-compliance to the Chief Operating Officer (COO) and Company Secretary or the Board directly if of a serious nature.
Ongoing training	All staff receive ongoing training in relation to behavioural requirements as listed in the Code of Conduct, Conflicts of Interest Management Policy, the use of IT systems, media.
Reinforcement and reward	Performance appraisal systems, remuneration strategies – staff are rewarded for their continued efforts and adherence to the Company's policies. Non-compliance with the Company's policies and expectations is actively managed.

8. Annual reviews are conducted and, where deficiencies have been noted, appropriate remedial action is undertaken, which may involve additional training, policy development and system improvements.

ABC Risk Management

9. The Company has identified and documented potential business risks related to bribery and corruption. These risks have been analysed, evaluated and control measures have been implemented to mitigate these risks. Responsibility for managing these risks has been assigned to the Senior Managers.

Accountability

10. Senior Managers are responsible for the prevention and detection of bribery and corruption relevant to business operations and activities.

Internal Controls

11. RFM has implemented the following procedures, processes and systems to assist RFM in the prevention of potential employee bribery and corruption.

Risk Management	<p>RFM has identified bribery and corruption risks that can significantly impact on the Company and its business operations. These risks have been documented, analysed and evaluated with control measures implemented to treat the risks.</p> <p>All risks pertaining to RFM are subject to a regular review and reporting requirements.</p> <p>Risks which have a residual risk rating of Extreme or High are subject to ongoing monitoring. The Board will not tolerate a residual risk rating of Extreme whilst a risk rated as High must be assessed regularly as part of the risk assessment process.</p>
Communication and awareness	<p>The importance of bribery and corruption prevention, monitoring and reporting of any suspicious activities is regularly communicated to RFM staff.</p> <p>This includes induction, ongoing communication and correspondence with employees. Training updates are advised via the RFM Dashboard and/or with employees.</p> <p>RFM staff are aware of their duties and responsibilities under the RFM Code of Conduct.</p>

	Compliance is monitored by the Compliance Manager, reported to the Board monthly and to the Internal Compliance Committee quarterly.
Employment screening	<p>All potential employees undergo careful employment screening which includes verification of identity and credentials.</p> <p>Employment in positions which have been rated as Medium or High risk under the AML/CTF Program are subject to additional screening.</p> <p>Reviews are conducted at the time of the employee's appointment and/or promotion. The Company also carries out annual performance reviews.</p>
Separation of duties	RFM has designed its controls to ensure preparation of data and approvals are separated and each of the steps are assigned to a different employee, as much as it practical.
Procurement	<p>RFM's Procurement Policy sets out the minimum requirements for selecting and engaging its suppliers and service providers.</p> <p>Engagement of key suppliers and service providers involves a due diligence process which may involve an external legal review. Ongoing contracts are regularly reviewed.</p>
Customer (Investor) verification	Procedures are in place to verify the identity of RFM's new investors. RFM follows the procedures set out in Part B – Customer identification and verification procedures listed in the AML/CTF program.
Conflicts of interest	RFM has robust policies and guidelines in relation to disclosing and managing conflicts of interest, whether potential or actual, and any related party transactions.
Insurance	Where possible and practical to do so, RFM has taken appropriate insurance to cover property, money theft, commercial motor vehicle insurance and investment managers' insurance.
Management reporting	Detailed financial reporting to management and the Board including key revenue and expense items, comparisons to forecasts and budgets and commentary on financial variances.
Payment controls	as per Delegations Policy.

12. Additional procedures will be developed and implemented if warranted and required by the Company and its business activities.

Detection

13. The following procedure will be followed to detect bribery and corruption, should there be evidence to suggest the Company's preventative measures have failed:

Whistleblower Policy	<p>RFM has an internal whistleblower process.</p> <p>The policy lists the process for disclosing any reportable conduct. This includes a Whistleblower Protection Officer and Whistleblower Investigation Officer who act independently and report to the Board.</p>
Post-transactional review	The Company Secretary will conduct a review of the fraudulent or corrupt activity.

	If the transaction or activity has occurred in the corporate business area, another senior manager will be allocated to investigate. This is to ensure independence of this review
Computer system analysis	The National Manager – People and Safety (or delegate) may carry out an analysis of the relevant software applications and actual data to identify the origin, context, size and frequency of the fraudulent activity
Analysis of management accounting reports	<p>Managers reporting to the Board are responsible for ensuring the information, including financial data, is accurate and does not contain any misleading information.</p> <p>Where an inconsistency or a departure from the usual trend has been noted, the Board has the responsibility to request clarification or a review of the information provided.</p> <p>Ultimately, the responsibility for ensuring accuracy of RFM's management accounting reports rests with the Board</p>

External Audit

- Amongst other duties, the auditor is accountable for the detection of bribery and corruption as part of the audit. RFM will proactively liaise with the auditor, and offer further assistance where required, during and post audit in relation to any suspected or identified fraudulent activity.

Reporting Suspected Incidents

- It is important that all instances of bribery and corruption detected within, against or by the Company are reported to the Senior Managers or in accordance with RFM's Whistleblower Policy.
- All RFM staff have the responsibility to report any matter or concern involving allegations of unethical or illegal behaviour. Staff should report to their immediate Manager or the Company Secretary.
- All reports will be treated confidentially, and no actions will be taken against anyone for making or helping someone to make a genuine, and not a malicious, allegation.⁴ All concerns will be taken seriously and will be promptly investigated.
- An employee reporting any matter of concern may choose to remain anonymous. A thorough investigation will only proceed if there is evidence to suggest that bribery or corruption has occurred.

Recovery Action

- Recovery action will be undertaken where there is clear evidence of bribery or corruption and where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action.
- Where bribery or corruption is directly identifiable to a specific business unit, any directly associated losses will be allocated against that business unit.

⁴ As per RFM's Whistleblower Policy paragraphs 32 and 34

Review of Internal Controls

21. In each instance where bribery or corruption is detected, RFM's Senior Managers (or delegate) will reassess the adequacy of the internal control environment and consider whether improvements are required.
22. Recommended improvements will be implemented as soon as practicable. The responsibility for this task will be allocated prior to commencement. A summary of the recommendations or requirements for the modification of any internal control measures will be also provided to all managers.

Response

Investigation

23. Once reported, any apparent or suspicious bribery or corruption will be investigated. If there is enough evidence to suggest that bribery or corruption has occurred, a thorough investigation will be instigated. Internally, the investigation will be conducted by the Company Secretary or another Senior Manager (see paragraph 13).
24. The Company Secretary will consult with the Chief Operating Officer as to what action should be taken in relation to the bribery or corruption.

These managers have the discretion to:

- call for an external party with the appropriate expertise to assist with the conduct of the investigation
 - or
 - report the incident to the appropriate external law enforcement agency to take over the investigation.
25. The investigation process will observe the following:
 - External parties engaged to assist in investigations on the Company's behalf will be required to enter into a binding agreement in relation to the release of confidential information coming into their possession during the investigation
 - Any investigation and resulting disciplinary proceedings will be transparent, independent and objective, and will comply with all relevant legislation
 - Records will be kept during the entire investigation and will be accessed only by Senior Managers (or delegate)
 - RFM staff are required to assist in investigative activities, provide documents or access to Company's records and systems as required.
 26. The Company Secretary (or delegate) will oversee the investigation and report the progress as appropriate.

Bribery and Corruption Incident Register

27. The Company Secretary (or delegate) will report any incidents of bribery or corruption in Folio, as required.

Disciplinary Procedures

28. The investigation and determination processes in relation to bribery or corruption incidents will be separated.
29. The results of the investigation will be put to the Chief Operating Officer and, where the incident is significant or involves the conduct of a Senior Manager or a Director, to the Board to make the decision as to what disciplinary action should be taken.
30. The outcome of disciplinary proceedings may involve immediate termination of employment, demotion, fining or reduction in seniority. It is important to ensure each situation is considered fairly and objectively.

External Reporting

31. On reaching a finding that there is evidence of bribery or corruption in respect of an allegation or series of allegations, the Company Secretary and Chief Operating Officer will undertake a formal process to determine if the matter requires reporting to the relevant law enforcement agency for investigation and therefore, potentially, prosecution. Guidance from the Board can be requested.
32. At minimum, the following items will be provided to the law enforcement agency (subject to the agency requirements as confirmed by them):
 - A summary of the allegations
 - A list of witnesses and potential witnesses
 - A list of suspects and potential suspects
 - Copies of all written statements and documentary evidence obtained to that point
 - A copy of the transcript of any interview conducted with a person suspected of involvement in the material alleged
 - A copy of any electronic media on which such interviews have been recorded
 - Any other details as considered relevant to the incident.
33. In the event that a decision is made to refer the matter to the appropriate law enforcement agency, the Company will undertake to do all that is reasonable in assisting the law enforcement agency to conduct a full and proper investigation.
34. Any other disclosure requirements, for example continuous disclosure obligations, will be undertaken, as necessary.

Definitions

All Staff	responsible for: <ul style="list-style-type: none"> reporting allegations, concerns or suspected incidences regarding bribery or corruption providing any assistance in investigations as necessary
Bribe	means the act of paying a secret commission to another individual. It is also used to describe the secret commission itself
Bribery	has the meaning set out in paragraph 1 of this policy
Chief Operating Officer	determines disciplinary action in relation to bribery or corruption incidents in conjunction with the Company Secretary
Code of behaviour	set out in the Code of Conduct (employees) or Board Charter (Directors) communicating expected standards and behaviour of RFM employees
Company or RFM	means Rural Funds Management Limited (ACN 077 492 838), and includes its subsidiary companies and any entity for which it is responsible entity
Company Secretary	maintains all correspondence relating to any bribery or corruption activities as specified in this policy in conjunction with the Chief Operating Officer
Control (internal control)	means an existing process, policy, device, practice or other action that acts to minimise negative risks or enhance positive opportunities
Corruption	has the meaning set out in paragraph 2 of this policy
Facilitation payment	means 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
Folio	means RFM's compliance management system
RFM Board	determines disciplinary action in relation to a serious fraud or corruption incident
Risk	means the chance of something happening that will have an impact upon the Company's objectives. In consideration of bribery and corruption risk this will generally be a negative impact
Senior Managers	means: <ul style="list-style-type: none"> Chief Operating Officer Chief Financial Officer National Manager – Transactions and Legal & Company Secretary
Serious risk/event	means a risk or event that is likely to have more than an immaterial impact on the entity, if it occurred, with the potential to threaten the business' economic viability in the short, medium or long term or to have noticeable impact on the organisation's business reputation