

Anti-Bribery and Corruption Policy and Procedures

Overview

It is RAM Property Funds Management Limited's (RPFM) "Anti-Bribery Policy" that no Employee may offer payments, or anything else of value to a public or private official that will assist RPFM in obtaining or retaining business or securing any improper business advantage, including making, promising or offering bribes to maintain existing business relationships or operations. Anyone at RPFM found to be violating RPFM's Anti-Bribery Policy will be subject to disciplinary action, which may include termination. RPFM requires all Employees to report any suspicious activity that may violate this policy to the Compliance Manager. An Employee's failure to report known or suspected violations may itself lead to disciplinary action.

RPFM as responsible entity for the RAM Essential Services Property Fund (the **Fund**) and any entities owned, either beneficially or legally, by the Fund or RPFM (together, the **Group**) is committed to conducting its business and operations with honesty, integrity and the highest standards of personal and professional ethical behaviour in Australia. It has zero tolerance for bribery and corruption in any form.

This Anti-Bribery and Corruption Policy sets out the Fund's anti-bribery and corruption rules to ensure compliance with the local anti-bribery and corruption legislation and regulations, namely the *Criminal Code Act 1995* (Cth) and the legislation in the various States and Territories. Where any actions are undertaken on behalf of the Fund in, or in connection with, another jurisdiction then the anti-bribery legislation in that jurisdiction must also be complied with including the UK Bribery Act and the US Foreign Corrupt Practices Act.

This Policy should be read together with the Fund's Code of Conduct.

Scope

This Policy must be strictly complied with by all the Group's employees, officers, directors and any agents acting for, or representing, the Group, in all their commercial dealings including (but not limited to) interactions with customers, retailers, local authorities, government bodies, subcontractors or service providers.

All individuals, regardless of their position, are responsible for their own behaviour and the consequences of their actions and decisions.

An employee that engages in prohibited conduct may be liable for disciplinary or administrative action, and in some cases, legal proceedings and investigations by the relevant government authorities.

What is a benefit? **Benefit** includes any advantage and is not limited to property. It can include (but is not limited to) cash, vouchers, gifts to family members, loans, personal favours, entertainment, meals and travel, political and charitable contributions, business opportunities and medical care.

What is Bribery In general terms, **bribe** or **bribery** means to provide, promise, offer or cause a benefit to be provided to another person, either directly or indirectly, with the intention to influence that person to obtain or retain a benefit or business advantage that is not legitimately due. For the purpose of determining if a benefit or business advantage is legitimately due, these circumstances should be disregarded: the fact that the benefit or business advantage may be (or be perceived to be) customary, the value of the benefit or business advantage and official tolerance of the benefit or business advantage.

Key areas of the Australian Law relating to bribery and corruption described below are as follows:

- bribery of foreign public officials
- false accounting offenses
- domestic bribery
- political donations
- enforcement of contracts procured by bribery

Bribery of a Foreign Public Official

Who is a foreign public official?

The definition of 'foreign public official' is very broad, and includes:

- an employee / official of a foreign government;
- a member of the executive, judiciary or magistracy of a foreign country;
- a person who performs official duties under a foreign law;
- a member / officer of the legislature of a foreign country; or an employee / official of a public international organisation (such as the United Nations).

The offence of bribing a foreign public official is contained in section 70.2 of the Criminal Code Act 1995 (Cth) (the Code).

The Code has a number of elements which can be divided into steps. All of these elements must be present for the offence to apply. A person is guilty of an offence if:

1. the person provides a benefit to another person,
2. offers or promises to provide a benefit to another person, or
3. causes a benefit to be provided, offered or promised to another person

AND

2. the benefit is not legitimately due to the other person

AND

3. step 1 was carried out with the intention of influencing a foreign public official (who may or may not be the other person) in the exercise of the official's duties as a foreign public official in order to obtain or retain business or obtain or retain a business advantage which is not legitimately due.

AND

4. there is a relevant connection with Australia which is established by the alleged offence occurring:
 - wholly or partly in Australia; or
 - wholly or partly on board an Australian aircraft or ship; or
 - wholly outside Australia and the person is an Australian citizen, resident of Australia or a body corporate incorporated under a law of Australia.

The following types of benefits could be captured by s 70.2:

- making political or charitable donations.
- gifts or corporate hospitality.
- promotional expenses, travelling expenses or accommodation.
- employing foreign public officials or their relatives.
- provision of services such as a car.

Liability of corporations to their representatives

Companies need to be aware that they may be liable for the actions of their employees and agents under Australian law and foreign law. People that engage in bribery while acting as an agent also may be individually liable and may be prosecuted under Australian or foreign law.

It is important to be aware of what actions may constitute a bribe and what obligations companies have to ensure employees and agents comply with the law. The foreign bribery offence is defined in Division 70 of the Criminal Code and the nature of corporate liability is defined in Division 12 of the Criminal Code.

Companies and individuals engaging in bribery may be liable under the laws governing the foreign public official and may be liable under the laws of third-party countries. The United States Foreign Corrupt Practices Act 1977, for example, has extended jurisdiction over any company issuing registered securities under US law (e.g. companies listing shares on a United States stock exchange).

The defences to the Australian foreign bribery offence

There are two defences to the offence:

1. The advantage was permitted or required by the written laws that govern the foreign public official.

This defence applies where a written law governing the foreign public official expressly permits or requires the benefit to be given. Subsection 70.3(1) of the Criminal Code lists the laws that govern different public officials.

2. The benefit provided constituted a 'facilitation payment'.

A defence is also provided where a benefit constitutes a 'facilitation payment'. A **facilitation payment** means unofficial payments of small sums to induce a public official or foreign public official to facilitate the performance of their government functions, such as issuing licences or permits to obtain routine services. In order to satisfy this defence, the benefit must be 'of a minor value' and be offered 'for the sole or dominant purpose of expediting or securing performance of a routine government action of a minor nature', and it must be recorded.

A routine government action is an action that is "ordinarily and commonly performed by that official" and falls within one of the following categories:

- Granting a permit, licence or other official document that qualifies a person to do business in a foreign country or in a part of a foreign country.
- Processing government papers such as a visa or work permit.
- Providing police protection or mail collection or delivery.
- Scheduling inspections associated with contract performance or related to the transit of goods.
- Providing telecommunications services, power or water.
- Loading and unloading cargo.
- Protecting perishable products, or commodities, from deterioration.

Individuals and companies must be aware that, even if a benefit constitutes a legitimate facilitation payment under Australian law, people making these payments may be liable for bribery under the laws that govern the foreign public official.

The Australian Government recommends that individuals and companies make every effort to resist making facilitation payments.

Penalties and Enforcement

Penalties and Enforcement

The maximum penalty for an individual is 10 years imprisonment and/or a fine of 10,000 penalty units, that is, \$1.8 million.

The penalty for a body corporate can be a fine issued in penalty units or it can be a proportional penalty, calculated according to the value of benefits obtained from bribery, or the annual turnover of the company. If the value of benefits obtained through bribery can be ascertained, the penalty is 100,000 penalty units (\$18 million) or 3 times the value of benefits obtained, whichever is greater. If the value of benefits obtained through bribery cannot be ascertained, the penalty for a body corporate is 100,000 penalty units or 10% of the 'annual turnover' of the body corporate and related bodies corporate, whichever is greater.

The high penalties for foreign bribery reflect the seriousness of bribery and its consequences.

In addition to criminal penalties, any benefits obtained by foreign bribery can be forfeited to the Australian Government under the Proceeds of Crime Act 2002 (Cth).

Preclearance Requirement

Any payment or anything else of value given to a foreign official must be pre-approved by the Compliance Manager.

False Accounting Offenses re Bribing a Foreign Official

There are two offenses under the Criminal Code Act 1995 (Cth) related to false accounting in the form of acts or omissions, for the purposes of concealing or enabling bribes to a foreign public official.

The first offence, at section 490.1, applies where:

- a person makes, alters, destroys or conceals an accounting document; or
- where a person fails to make or alter an accounting document that the person is under a duty to make or alter with the intention that the conduct would facilitate, conceal or disguise:
 - the receipt or giving of a benefit that is not legitimately due; or
 - a loss that is not legitimately incurred.

The second offence at section 490.2 applies in the same circumstances as the first, but where the person is reckless as to whether the benefit or loss would arise. In general terms, recklessness occurs where a person can foresee some probable or possible consequence, but nevertheless decides to continue with their actions with disregard the consequences.

RPFM's financial accounts are subject to Board and senior management oversight, and an annual independent audit and a half year independent review.

Domestic Bribery

It is not permitted to promise, offer, provide (or cause to be provided) any bribe or facilitation payment, whether directly or indirectly, with the intention of securing business or a commercial advantage for the Fund.

Each State and Territory has legislation criminalising bribery of both public officials and private individuals. The Commonwealth also criminalises the bribery of Commonwealth public officials under Divisions 141 and 142 of the Criminal Code.

Each piece of legislation is different and needs to be specifically considered. However, they have a number of similar features and the following situations are likely to give rise to serious concerns:

- agents (including employees) of private persons or entities or agents of the crown/public bodies providing, offering or accepting benefits (of any kind)
- as an inducement or reward for doing, or not doing something re the principal's affairs which might tend to influence the agent to show favour or disfavour re the principal's affairs.

This prohibition applies to dealings with private and public businesses and individuals, as well as public officials.

Public official means employees or officers of a government body including individuals who perform work under contract for a government body or hold or perform the duties of an appointment, office or position of a government body. This includes employees or officers of government owned or controlled enterprises such as public institutions and state owned enterprises. Examples of Public Officials include planning officers or other employees of local planning authorities, council certifiers, council members, police officers, members of judiciary and politicians at any level of government.

There will be no penalty or adverse consequences for refusing to pay a bribe or facilitation payment, even if it may result in the Fund losing business.

As with foreign bribery, custom and practice are no defence, though there is generally a requirement that the benefit must be given or accepted dishonestly or corruptly. The courts have interpreted "dishonestly" or "corruptly" as meaning "with intention to influence". So even where the legislation refers to payments which "tend to influence" (which suggests it is not necessary to have a particular intention), the need for dishonesty or corruption means that there must be an intention to influence.

In many States, paying secret commissions for advice given to others about their business dealings is also an offence, even if the adviser is not an "agent". Companies may be criminally liable for bribery committed by their employees, officers or agents. Some States and Territories (SA, ACT, NT) have adopted the expansive Commonwealth model (described above in relation to foreign bribery). In others, corporate liability is likely to arise only where a directing mind or will of the company – typically a director or senior manager – is involved in the offence.

As with foreign bribery, companies/directors may also be liable where they aid, abet, counsel or procure bribery – that is, if they intentionally participate in the offence, for example by requiring or encouraging bribery, or providing funds to allow employees or agents to commit offences. The penalties for domestic bribery are also heavy: prison terms ranging from up to 7 years (NSW) to up to 21 years (Tas) may be imposed on individuals, and companies are liable to significant fines.

In addition to criminal liability, all states have created bodies (commissions) charged with investigating and reporting on corrupt conduct in relation to public sector agencies.

Exception to the prohibition

A person will not be in breach of this policy if a payment or benefit is provided to a public official, foreign public official, or another party, due to an imminent risk of serious physical harm .

Where a payment or benefit is provided under such circumstances, that person must promptly report the payment or benefit made to the Compliance Manager and set out the full circumstances of that payment (including the value of the payment, the recipient and the nature of the threat).

Preclearance Requirement

A payment, other than approved salary, or anything else of value given to a domestic individual or official must be pre-approved by the Compliance Manager.

Books and records

The Group must maintain accurate records and accounts of all its transactions. This means that all transactions involving the Fund's funds must be properly authorised and recorded. Any falsification or mis-description of the Group's records or accounts is strictly prohibited.

All invoices, agreements, receipts and expenditure approvals must be accompanied by supporting documents which accurately describe the transaction or accounts.

Gifts and hospitality guidelines

Gifts, hospitality and entertainment offered for the purpose of establishing and strengthening business relationships are acceptable from a commercial perspective. However it becomes a criminal offence when such gifts, hospitality and entertainment are offered in order influence the other party to obtain a benefit.

Gift(s) means free or heavily discounted items, money or other intangible benefits offered in relation to work activities. Examples include, but are not limited to a gift basket, gift vouchers, shopping cards, wine, tickets to a sporting event or concert, or any other item of value.

Hospitality means any form of entertainment including meals, drinks, sporting events, movie or theatre visits and hotel accommodation and includes any travel associated with that hospitality.

Hospitality and entertainment should not be lavish and should always be at venues which are conducive to business conversations and which would not negatively affect the reputation of the Fund.

The giving and acceptance of gifts should be limited and never be given for the purpose of obtaining or retaining business.

The financial thresholds and approval guidelines for gifts and hospitality are set out below.

(a) Gifts

Value of Gifts	Procedure
AUD \$100 or less	May be received or given. However, consideration must be given as to whether the frequency or timing of the gifts may create an appearance of impropriety.
More than AUD \$100	May only be received or given with written approval from the Company Secretary. The Company Secretary must agree that the gift is within the acceptable business norms and would not create the appearance of improper influence.

(b) Hospitality and travel

Value of meals, travel and/or entertainment per person	Procedure
AUD \$250 or less	May be received or given. However, consideration must be given as to whether the frequency or timing of the hospitality may create an appearance of impropriety.

More than AUD \$250	<p>May only be received or given with written approval from the Company Secretary.</p> <p>The Company Secretary must agree that the hospitality is within the acceptable business norms and would not create the appearance of improper influence.</p>
--------------------------------	--

Gifts and/or hospitality with a combined total value of more than AUD \$500 per year from or to the same person or entity is not permitted. Approval from the Compliance Manager is required to exceed this limit. Gifts and/or hospitality also should not be received by or given to the same person more than more than 4 times a year in order to avoid creating the perception of impropriety. Approval from the Company Secretary is required to exceed this limit.

Gifts and/or hospitality may be acceptable or unacceptable depending on when they are received or given. Gifts should not be given or received just before a business decision is to be made (for example, prior to the award of or tender for a contract).

All offers and acceptances of gifts and hospitality should be recorded in the gifts register and each entry must indicate whether gift was accepted or declined. Promotional items of a nominal value such as pens, drink bottles etc are exempt.

**Charitable
Donations**

Charitable donations can be used as a form of bribe. Therefore charitable donations must not be made, offered or promised on behalf of the Fund, without prior written approval from the Compliance Manager. All due diligence in relation to charitable donations, along with the relevant details of the donations, must be recorded in the donations register.

Employees are permitted to make charitable donations in their personal capacity so long as they are not made in order to obtain or retain any business or business advantage.

**Political
Donations**

Political donations are seen as giving rise to particular risks of corruption or perceptions of corruption, and are accordingly subject to additional regulation by the Commonwealth, States and Territories. In all of the States and Territories except for Tasmania, there are requirements to file returns or make public disclosures of donations in some circumstances, with financial penalties for non-compliance. Under Commonwealth, South Australia, Queensland and Northern Territory laws the donor (rather than the party or politician) is frequently required to file the return. NSW, Victoria and Western Australia also cap or prohibit donations above certain amounts/from certain industry sectors.

The failure to properly disclose a donation may also be evidence from which a corrupt or dishonest intention could be inferred, for the purposes of domestic bribery offences, and may be of some interest to the commissions.

RPFM will not make political donations or otherwise endorse or support political parties or candidates with the intent of directly or indirectly influencing any investment management relationship.

Engaging agents

Any employee, director or officer that deals with agents is responsible for taking reasonable precautions to ensure that those agents are ethical in their conduct of business and compliant with this policy.

Payments to agents may only be made upon the presentation of a valid invoice or statement that evidences the services were provided. Any commissions or service fees made to agents should be comparable to the prevailing market rates for similar services. Any contracts with agents must include anti-bribery clauses requiring the agent to comply with all relevant anti-bribery legislation and to provide audit rights.

The offering or giving of secret commissions is prohibited. Likewise, the receipt of any secret commissions is also prohibited.

Secret Commission(s) means a situation where an agent, or someone acting in a fiduciary capacity, accepts a commission or other unauthorised payment or benefit from a third party, without the consent or knowledge of their principal, for services rendered or other benefits provided which are connected with the relationship between the agent/fiduciary and their principal.

It is important for the Group to ensure that a fulsome due diligence review of agents is undertaken prior to any engagement.

If there are any concerns or red flags about the conduct of agents in their business dealings which may be contrary to this policy, such concerns must be reported to the Compliance Manager prior to proceeding or continuing with the engagement to ensure compliance with the applicable anti-bribery and corruption laws.

Some examples of red flags could include:

- unusual or excessive payment requests, including upfront payments, suspicious commissions or payments into separate accounts in a country foreign to the nationality or business of that third party;
- reluctance or refusal by that third party to disclose the company's beneficial owners, partners or principals; or
- the third party has little experience in the industry but "knows the right people".

Upon receiving a report, the Group shall conduct relevant investigations and may suspend further payments to the agent pending the outcome of that investigation.

Compliance and reporting

All employees, directors, officers and agents must read, understand and comply with this policy and they will be required to ensure they avoid any actions that may lead to or suggest a violation of this policy.

The Group will also offer periodic compliance training to ensure that all employees, directors, officers and agents are up-to-date on their obligations under the policy and the relevant anti-corruption laws.

All employees, directors, officers and agents must participate in such training whenever they are requested to attend. Such training will include, but is not limited to, the following:

- the obligations of employees and officers under this policy;
- how to recognise bribery and corruption; and
- how to effectively deal with and report bribery, corruption or other breaches of this policy.

Any employees, directors, officers and agents that becomes aware of or suspects the policy has been breached by any person acting for or representing the Fund, must report the known or suspected breach to the Compliance Manager and include the basis for their suspicion and/or knowledge. Reports may be made confidentially and on an anonymous basis. Please refer to the Whistleblower Policy for more details.

Any employee, directors, officers and agents that breaches this policy or fails to report known or suspected breaches of the policy will face disciplinary action, which may result in dismissal for misconduct. Any employees, directors, officers and agents that breaches this policy may also face legal proceedings and be subject to investigations by the relevant government authorities.

Enforcement of Contracts Procured by Bribery

Where contracts are entered into as a result of bribery of an agent, an innocent principal may be entitled to:

- rescind the contract and recover moneys paid over under it; and/or
- recover the amount of the bribe from the agent and seek damages for any losses suffered.

Enforcement of contracts entered into following a bribe is therefore far from certain, even if the bribe was small in nature and perhaps did not have any real impact on the principal's entry of the contract.

All contracts entered into by RPFM are approved by Executive Committee members and directors. Any contracts that have elements which may relate to bribery will be reviewed legally for preclearance. Signing of contracts can only be done by authorised signatories.
