

GIFTS AND ANTI-BRIBERY POLICY

Policy: Gifts and Anti-Bribery Policy

Date: Board approved 14 February 2019
Next Review Date February 2021

1. Purpose

- (a) The Australian Institute of Company Directors (**AICD**) is committed to upholding high standards of business integrity and honesty in all its business dealings.
- (b) The AICD takes a zero tolerance approach to bribery and corruption and will comply with all applicable anti-bribery and corruption laws.
- (c) The AICD strives to act consistently with international anti-bribery and anti-corruption best practice.
- (d) To assist the AICD to meet its commitment to conduct ethical and legitimate business operations in compliance with applicable laws, it has developed this Policy for countering bribery and corruption and to provide guidelines on reasonable and acceptable gifts and gratuities.

2. Objectives

- (a) This Policy aims to:
 - (i) ensure that you and the AICD comply with applicable laws relating to anti-bribery and corruption;
 - (ii) provide guidelines for the handling of gifts, hospitality and sponsored travel; and
 - (iii) protect you and the AICD from any appearance of misconduct and to ensure that the AICD maintains the highest standards of ethical and legitimate business practices.
- (b) Terms have the meanings given in the Dictionary contained in section 11.

3. Who does this Policy apply to?

- (a) This Policy applies to:
 - (i) each director and officer of the AICD;
 - (ii) each Employee and Contractor of the AICD;
 - (iii) all Business Partners;
 - (iv) each Division Councillor; and
 - (v) each Committee Member of any committee or advisory group that the AICD determines should be bound by this Policy.
- (b) This Policy applies across the AICD, including its branches and all subsidiaries and affiliates over which it exercises control.
- (c) This Policy applies globally to all AICD business and transactions, regardless of where it occurs and whether or not any particular conduct may be regarded as common or customary in a particular place or location.

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4. Policy

What is Prohibited?

Bribery and corruption are strictly prohibited conduct. You must avoid any action that may give rise to a real or apparent breach of this Policy.

What is Bribery and Corruption? See section 4.2 and 4.3.

What is the AICD's policy on the provision and receipt of gifts and gratuities, hospitality and sponsored travel? See section 5.

4.1 Prohibition on bribery, kickbacks and secret commissions

- (a) You must not:
- (i) offer, promise, give or authorise (directly or indirectly) any bribe, kickback or secret commissions to, or for the benefit of, any person (whether in the commercial or public sector in Australia or overseas) in order to obtain any business or other advantage for the AICD, for yourself, or any other person or organisation;
 - (ii) solicit, accept or receive (whether for the AICD, your own or another person's benefit) any bribe, kickback or secret commission from any person or organisation (whether in the commercial or public sector) in return for providing any business or other advantage;
 - (iii) act as an intermediary for the solicitation, acceptance, payment or offer of a bribe, kickback or secret commission; or
 - (iv) use any other improper or illegal means (including favours, threats, inducements or other rewards) to influence the actions or decisions of another person or persons (including individuals or charitable, not-for-profit or commercial entities).
- (b) You must not do anything or take any action prohibited by this Policy in a personal capacity in an attempt to evade the requirements of this Policy.

4.2 What is Bribery and Corruption?

- (a) Bribery involves improperly inducing, offering, promising, providing, accepting or soliciting a benefit or something of value in order to obtain or retain a commercial, contractual, regulatory or personal advantage or to induce or reward improper conduct or an improper decision. Bribery can also take place where the offer or payment is made by or through a third party.
- (b) Bribery occurs where a person:
- (i) provides a benefit to another person; or
 - (ii) causes a benefit to be provided to another person; or
 - (iii) offers or promises to provide a benefit to another person; or
 - (iv) causes an offer of the provision of a benefit, or a promise of the provision of a benefit, to be made to another person;

AND

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- (v) the benefit is not legitimately due to the other person; and
- (vi) is done with the intention of influencing the other person in order to:
 - (A) obtain or retain business; or
 - (B) to obtain or retain a business advantage that is not legitimately due to the recipient, or intended recipient, of the business advantage.
- (c) For the avoidance of any doubt, bribery may occur whether the person receiving the actual or promised benefit is a public official (either in Australia or overseas), a person in a state-owned entity or a private entity, and a person acting in a business or personal capacity.
- (d) Corruption refers to the abuse of entrusted power for private gain. Offering, promising, giving, requesting, receiving and accepting a bribe are all forms of corruption, even when made indirectly to or by a third party.

4.3 What are some examples of bribery?

Bribes can take the form of cash, cash equivalents (e.g. gift vouchers or loans), other benefits (e.g. some gifts, hospitality or entertainment, sponsored travel, donations or scholarships), or the provision of favours (e.g. discounted or 'free' use of company services, facilities or property) or anything else that is of significant value to the recipient.

4.4 What are the consequences of non-compliance with anti-bribery laws?

Multiple bribery offences are contained in both state and federal laws in Australia. Under applicable laws, bribes and bribery have a very wide definition and attract serious criminal and civil penalties, including imprisonment.

4.5 No penalty for refusing to pay a bribe

You will not be penalised, or be subject to other adverse consequences, for refusing to pay bribes even if it may result in the AICD losing business.

4.6 Personal safety exception

- (a) You will not be penalised for providing a payment or benefit in circumstances where you fear imminent imprisonment or imminent physical injury to yourself or another person if the payment or benefit is not provided.
- (b) If any payment or benefit is provided in these circumstances, you must immediately bring this to the attention of one of the following people as may be appropriate: your immediate line manager, a member of the Risk & Compliance team, a member of the Legal team or a member of the Executive team.

4.7 Facilitation Payments

- (a) Facilitation payments are payments made with the purpose of expediting or facilitating the performance by a public official of a non-discretionary 'routine governmental action', such as processing paperwork or providing a telephone or mail service.
- (b) Facilitation payments are typically demanded by low level and low income officials to obtain services which should be provided in any event. In most countries, facilitation payments are illegal.
- (c) You must not make facilitation payments at any time, consistent with the prohibition on bribery and corruption detailed in this Policy.

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- (d) If a facilitation payment has been made in breach of this Policy, the facilitation payment must be promptly disclosed to your line manager and a member of the Risk & Compliance team so that the facilitation payment can be properly addressed and recorded, including but not limited to an investigation which may result in disciplinary action.
- (e) Australia has strict laws regarding bribery of Commonwealth and foreign public officials which is addressed in section 5 of this Policy.

5. Gifts, hospitality and sponsored travel

5.1 Introduction

- (a) Gifts, hospitality and sponsored travel can be customary courtesies designed to build goodwill, including, for example, gifts provided in recognition of time voluntarily given to speak at, or contribute to, an AICD course or event.
- (b) Complications may arise when such customary courtesies compromise, or appear to compromise, the ability of the recipient or some other person to make objective and unbiased decisions affecting the AICD, particularly decisions to confer or retain a business advantage.
- (c) Please note that genuine, reasonable and proportionate provision and receipt of gifts, hospitality and sponsored travel are acceptable, provided that the terms of this Policy are strictly complied with.
- (d) The obligations in this Policy apply at all times and their application do not change during traditional gift-giving seasons.
- (e) Any gifts, payments or benefits received must be promptly recorded in the Gifts & Hospitality Register by completing the template 'notice' attached at Appendix A of this Policy and provided to the Risk & Compliance team (including evidence of any relevant approval).

5.2 What is permitted?

- (a) You may give or accept reasonable and appropriate gifts or hospitality for legitimate purposes such as building relationships, maintaining our image/reputation, or marketing our products/services. All gifts, hospitality and sponsored travel offered or received must be for a genuine purpose, reasonable and given in the ordinary course of business.
- (b) All gifts, hospitality and sponsored travel must:
 - (i) comply with the monetary limits set out in section 5.6 below;
 - (ii) be declared to the Risk & Compliance team and recorded in the Gifts & Hospitality Register (see section 5.7 and Appendix A);
 - (iii) be of reasonable and modest value, particularly when considered in the context of other gifts, hospitality and sponsored travel offered to the same recipient on other occasions or over time;
 - (iv) be appropriate and consistent with reasonable business practice;
 - (v) be provided in an open and transparent manner, and never be offered if full transparency and disclosure would be embarrassing to the AICD or the recipient; and be permissible under all applicable laws, rules and regulations.
- (c) When giving gifts, hospitality and sponsored travel, please remember to ensure that they comply with any monetary limits and disclosure obligations imposed by the gift recipient's

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organisation or local laws. If unsure, please ask the recipient for guidance on what they are able to accept. In addition, please contact the Risk & Compliance team for guidance on the applicable monetary limits, or disclosure obligations. For the AICD, this is currently \$AUD100 per gift per financial year for each recipient. You should also check whether the recipient's organisation or local laws impose any limits or disclosure requirements.

5.3 What are examples of gifts, hospitality and sponsored travel?

- (a) Examples of gifts and hospitality include (but are not limited to): flowers, alcohol, tickets to events, meals, entertainment, gift cards, travel (including complimentary travel offers from our corporate supplier), accommodation, and other hospitality (including use of vacation facilities or hotels), prizes, gift certificates, hampers, discounts and loans.
- (b) Sponsored or complimentary travel includes, but is not limited to, circumstances where the AICD pays the travel expenses (e.g. flights, accommodation, per diems or living expenses) of individuals who are not its Employees, Business Partners, directors, officers or representatives.

5.4 What is prohibited?

- (a) You must not offer, provide or receive any gift, hospitality or sponsored travel that may be perceived to improperly influence a relationship or decision affecting the AICD or its business.
- (b) Gifts must never consist of cash or cash equivalents (such as gift certificates or loans), or be refundable for cash or cash equivalents by the recipient.

5.5 Prohibition on giving gifts to foreign officials

- (a) You must not offer any gifts and/or hospitality to a public official or state-owned corporation above the permitted threshold set out in section 5.6 below, unless pre-approved in writing by the Managing Director & Chief Executive Officer (MD & CEO) and the General Counsel & Company Secretary.
- (b) The AICD will not pay for expenditures for public officials above the permitted threshold set out in section 5.6 below. The AICD prohibits the payment for expenditures of family members or companions of public officials except under limited circumstances and as approved in writing in advance by the MD & CEO and the General Counsel & Company Secretary (for example, for meals and/or banquets).

5.6 Approval requirements and monetary thresholds on the provision and receipt of gifts

- (a) In addition to the requirements in section 5.2 above:
 - (i) All sponsored travel must be approved in advance by the Chief Financial Officer (**CFO**).
 - (ii) The provision of any gifts over \$AUD100 must be approved in advance by your line manager and the CFO.
 - (iii) The receipt of any gifts valued at over \$AUD100 must be approved by a member of the Executive team. A declaration of the gift must be made within five (5) business days and approval must be sought from the Executive responsible for your business unit, in consultation with the Risk & Compliance team, prior to you accepting any such gifts.

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- (iv) Any hospitality over \$AUD100 per person must be approved in advance by your line manager and the CFO.
- (b) When in doubt, you must consult with the Legal team or the Risk & Compliance team who have discretion to approve gifts and/or hospitality over the permitted threshold.

5.7 Gifts & Hospitality Register

- (a) The details of any gift or hospitality must be provided to the Risk & Compliance team for recording in the Gifts & Hospitality Register.
- (b) Regardless of value, all gifts, hospitality and sponsored travel, whether provided by You or received by You, must be documented and recorded in the Gift & Hospitality Register. All gifts, hospitality and sponsored travel recorded in the Gifts & Hospitality Register must be counter-signed by your line manager.
- (c) The record in the Gifts & Hospitality Register must expressly state the nature and purpose of the gift, hospitality or sponsored travel, including the value and the identities of the giver and receiver, and details of any approvals given.
- (d) Appendix A contains the details required to be included in the Gifts & Hospitality Register.

6. Charitable and political donations and sponsorships

6.1 Introduction

Charitable or community donations and sponsorships can sometimes be used as a disguise for bribery, for example where a donation is provided to a 'charity' which is controlled by a person who is in a position to make decisions affecting the AICD.

Charitable, community and political donations and sponsorship may be made in a personal capacity so long as the guidelines in this section are adhered to and it does not give rise to a breach of this Policy.

6.2 Charitable or community donations and sponsorships

- (a) Employees or Business Partners who wish to make charitable or community donations and sponsorships on their own behalf must make clear that they are doing so in their personal capacity and are not acting on behalf of the AICD.
- (b) Employees and Business Partners must ensure that charitable or community donations and sponsorships made either in a personal capacity, or authorised to be made on behalf of the AICD, do not constitute bribery, corruption or otherwise give rise to adverse reputational risks for the AICD.

6.3 Political contributions

- (a) The AICD and its Employees, Contractors and Business Partners must not grant financial or other support to political parties, political campaigns, or individual politicians on behalf of the AICD, as this could be perceived as an attempt to improperly gain a business advantage.
- (b) Employees and Business Partners may exercise their personal right to participate in political and democratic processes.

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- (c) Employees and Business Partners must ensure that any political donations are made in a personal capacity and do not constitute bribery, corruption or otherwise give rise to adverse reputational risks for the AICD.

7. Business Partners and Procurement

7.1 Business Partners and commitment to legitimate business practices

- (a) The AICD is committed to promoting anti-corruption and encouraging legitimate business practices by any Business Partners it engages.
- (b) To minimise the risk of Business Partners engaging in inappropriate conduct, Employees must:
 - (i) always act with due care in selecting Business Partners and in monitoring their activity;
 - (ii) ensure that Business Partners are aware of and respect this Policy;
 - (iii) ensure that all fees and expenses (including any commissions and success fees) paid to Business Partners represent appropriate, and justifiable remuneration, which is transparent, commercially reasonable and for legitimate services rendered;
 - (iv) ensure that all fees and expenses are paid to Business Partners themselves (and to an account in their name in their principal place of business);
 - (v) reserve the right to terminate the relationship in the event that the Business Partner breaches this Policy;
 - (vi) record the relationship in a written agreement which is authorised by the appropriate approvals under the AICD Delegation of Authority Policy; and
 - (vii) keep accurate financial records of all payments, including accurate descriptions of the purpose of the payment.

7.2 Procurement

- (a) The AICD is committed to dealing with its suppliers in a fair, honest and professional manner, while seeking best value for the business. Potential suppliers are treated on an equal basis and no unmerited favouritism is to be shown in the procurement of goods and services.
- (b) In accordance with the AICD's procurement practices, a supplier must not be related to a staff member, member of management, or a board member.
- (c) Employees and Business Partners must not enter into any contract on behalf of the AICD or for the AICD's benefit where the entry into that contract is in any way affected by a breach of this Policy.
- (d) The AICD will avoid dealing with prospective suppliers known for offering or providing bribes. The AICD will make this Policy known to its suppliers and encourage them to adhere to similar high standards of corporate responsibility.

7.3 Books and records

- (a) Accurate records of all AICD transactions must be kept. The falsification or misleading description of any record or account of the AICD is prohibited.
- (b) All receipts and expenditures must be supported by source documents that describe them accurately and properly.

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8. Whistleblower Policy: reporting bribery and suspicious activity in good faith

If you become aware of any actual or suspected breach of this Policy, you must report this to your line manager, the Risk & Compliance team, the Legal team or the Executive team or make use of the AICD's Whistleblower Policy (refer to clause 11.5).

9. Sanctions

- (a) The AICD has zero tolerance for conduct in breach of this Policy.
- (b) Failure to comply with this Policy will be regarded as serious misconduct and may lead to disciplinary action, up to and including dismissal, termination or legal action.
- (c) Conduct in breach of this Policy may also breach applicable anti-bribery and corruption laws and may result in criminal or civil penalties, including fines and imprisonment.
- (d) You must cooperate fully and openly with any investigation by the AICD into alleged or suspected corrupt activity or breach of this Policy. Failure to cooperate or to provide truthful information will be regarded as serious misconduct and may lead to disciplinary action, including dismissal or termination.

10. More information

10.1 Questions and concerns

- (a) Any questions in relation to this Policy should be directed to the Risk & Compliance team.
- (b) If you have any doubt about whether particular conduct may breach this Policy, you are encouraged to discuss the issue with your line manager, a supervisor or senior manager, any member of the Legal team or the Risk & Compliance team.

10.2 Communication and training

- (a) The AICD will ensure that all Employees, Contractors, directors and officers are informed about and understand this Policy.
- (b) You will receive a copy of this Policy and be provided with training on an annual basis.
- (c) Every manager must communicate this Policy to all Employees reporting to them, and ensure that Employees and Business Partners within their area of responsibility understand the prohibitions in this Policy.

10.3 Who is responsible for reviewing this policy?

The Risk & Compliance team is responsible for establishing, implementing and reviewing this Policy on an annual basis.

10.4 Related and other AICD policies

- (a) All AICD policies are available on the AICD intranet site.
- (b) Any questions in relation to any AICD policies should be directed to your line manager or the Risk & Compliance team.

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10.5 Whistleblower Hotline

- (a) The AICD's Whistleblower Policy and Whistleblower Hotline details are available on the AICD intranet site.
- (b) As at the date of this Policy, the AICD Whistleblower details are as follows:
- Service Provider:* YourCall
Telephone Hotline: 1300 790 228, 9am – 12am, Monday to Friday AEST
Online: www.yourcall.com.au/support, 24 hours/7 days
Passcode: AICD2016

11. Definitions

Word/Term	Explanation (with examples if required)
AICD	The Australian Institute of Company Directors (ABN 11 008 484 197).
Business Partners	Any person or entity which acts for or on behalf of, or performs services for, the AICD.
Committee Member	A person that has been appointed as a member of any committee or advisory group of the AICD pursuant to the AICD's Constitution and By-Laws, a letter of appointment or any terms of reference issued by the AICD.
Contractor	All faculty, facilitators, board advisors, consultants and any other third party contracted to provide professional services to the AICD.
Division Councillor	A person that has been elected or appointed as a member of a State or Territory Council of the AICD pursuant to the AICD's Constitution and By-Laws.
Employee	All full-time, part-time and casual employees of the AICD employed on a permanent or fixed term basis.
Gifts & Hospitality Register	The AICD Gifts & Hospitality Register maintained by the Risk & Compliance team.
Policy	This Gifts and Anti-Bribery Policy.
You (and "you" and "your" as appropriate)	The persons bound by this Policy as broadly set out in section 3 of this Policy.

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12. Policy Information

Policy Author:	Pauline McCann, Senior Manager, Risk & Compliance	Policy Owner:	CFO & General Manger, Corporate Services
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13. Document History

Version	Date Approved	Author	Description of revision
1.	14 February 2019	Pauline McCann, Senior Manager, Risk & Compliance	<p>May 2018:</p> <ul style="list-style-type: none"> Merged Anti-Bribery and Corruption Policy and Gifts and Gratuities from Clients and Suppliers Policy. Included monetary limits and rules on declaring gifts and hospitality. New draft Policy settled and approved by the Legal team. <p>July 2018</p> <ul style="list-style-type: none"> New draft Policy endorsed by the MD & CEO New draft Policy presented to and endorsed by the Executive Committee, with minor amendments. <p>February 2019:</p> <p>New draft Policy presented to the Risk & Compliance Committee for endorsement.</p>

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APPENDIX A: TEMPLATE FOR RECORDING GIFTS AND HOSPITALITY

AUSTRALIAN INSTITUTE OF COMPANY DIRECTORS (AICD)

The completed form should be sent to the Risk & Compliance team in Corporate Services

1. Your personal details

Full name:	
Position in the AICD:	
Business unit in the AICD:	

2. Receiving gifts, travel and gratuities

Date received:	
Name, Position and Organisation of gift giver:	
Description of gift / entertainment:	
Value (in AUD):	
Reason for acceptance:	
Name and Position of approving Manager:	
Decision on what will happen to gift/entertainment:	
Other (e.g. additional disclosure/approvals sought):	

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3. Offering gifts, travel and gratuities

Date offered:	
Name, Position and Organisation of gift recipient:	
Description of gift/entertainment:	
Value (in AUD):	
Reason for acceptance:	
Name and Position of approving Manager:	
Decision on what will happen to gift/entertainment:	
Other (e.g. additional disclosure/approvals sought):	
