

Anti-Bribery and Corruption Policy

1. Introduction

Australian Foundation Investment Company Limited (the Company) is committed to acting ethically, honestly and lawfully with stakeholders and this is enshrined in the Company's guiding qualities:

- Professionalism, Passion and Experience
- Integrity
- Respect
- Collaboration

Scope

This Policy applies to anyone who is employed by the Company or Australian Investment Company Services Limited (AICS) (together the Companies) (referred to as Employees in this Policy).

Individual and corporate entities which act for or on behalf of the Companies, or who perform functions in relation to or on behalf of the Companies, are expected to have and comply with appropriate policies managing anti-bribery and corruption risk.

What is Bribery and Corruption?

Bribery means to offer, promise, give, accept or solicit anything of value with the intention of influencing a public official or person in the private sector in the performance of their duties, to obtain business or a business advantage that is not legitimately due.

Corruption means to offer, promise, give, accept or solicit a benefit as an inducement or reward for the misuse of a person's power, office or influence for personal gain; and often involves Bribery.

Bribes are strictly prohibited by law and can carry criminal liability both for individuals and for companies. Directors and employees of, and contractors to the Companies must comply with all applicable Anti-Bribery and Corruption Laws including the Australian Criminal Code Act 1995 (Cth).

Employee Obligations

- All Employees must read, understand and comply with this policy and all other relevant policies;
- All AICS staff must perform appropriate due diligence in respect of any contractor with whom the companies intend to do business seeking to ensure contractors have appropriate policies managing anti-bribery and corruption risk; and

- All Employees must promptly report any suspicion or knowledge of Bribery or Corruption or other improper conduct relating to this policy in accordance with the Reporting of Concerns Section below.

Any employee who breaches this Policy will face disciplinary action including potential termination of employment.

Policy

Bribes

Employees are not permitted to give, offer, promise, accept or request or authorise a bribe whether directly or indirectly. This Policy prohibits any conduct amounting to bribery or corruption.

Facilitation Payments

A facilitation payment is an unofficial payment made to secure or expedite a routine government action by a government official.

Facilitation payments are prohibited under this policy and Employees are not permitted to engage in facilitation payments.

Political Contributions/ Donations

The companies do not normally make contributions or donations to political parties. Any payments of a political nature are to be expressly approved by the Board.

Gifts and Entertainment

Receiving appropriate business gifts and corporate hospitality can be an acceptable way in which to build goodwill and develop business relationships. Any gifts and entertainment which do or may appear to compromise an employee's ability to make an objective business decision or may or may appear to improperly influence another person in the companies' business dealings are prohibited.

In receiving any business gifts and corporate hospitality, AICS staff must comply with the approval process set out in the AICS Gifts and Entertainment Policy. All gifts and entertainment provided to AICS staff which are valued at \$250 or more must be recorded in the Gifts/Hospitality register by notification to the Company Secretary.

Non-executive directors should seek approval from the Chairman on any company-related hospitality, such as conferences or attendance at meals, cultural and sporting events, with an estimated value greater than \$250 and offered to them in their capacity as directors of the Companies. The Chairman should seek approval on any company-related hospitality with an estimated value of greater than \$250 offered to himself/herself with the Chairman of the Audit Committee. Any hospitality with an estimated value of greater than \$250 will be submitted to the Company Secretary to be recorded in the Gifts/Hospitality register.

Any hospitality or gift provided by the Companies to external parties must be appropriate, such as a working lunch, and must be approved in advance by the Employee's manager.

All Employees of the Companies are prohibited from accepting any cash or cash equivalent gifts received in connection with their employment.

Third parties

AICS staff must notify the Chief Executive Officer prior to engaging a third party (for example, a consultant, agent, representative) to act on behalf of the Companies or to engage with government or other business partners on behalf of the Companies.

Reporting of Concerns

AICS staff must promptly report to their manager or the Compliance Manager any act or offer of Bribery or Corruption known to have occurred or genuinely suspected to have occurred or be likely to occur. Non-Executive directors should report such matters to the Chairman, and the Chairman should report any such matters to the Audit Chairman.

Any questions in respect to this policy should be directed to the AICS staff's manager or the Compliance Manager. If Employees do not feel comfortable reporting a matter to their manager/Compliance Manager, the matter should be reported to the Whistleblower contacts in accordance with the Company's Whistleblower Protection Policy which is available on the Company's website.

The Whistleblower Protection Policy affords certain protections against reprisal, harassment or demotion for any individuals making a report.

Record-keeping

All financial transactions must be recorded accurately, completely and fairly in accordance with the Companies' internal accounting controls. Books and records must record, in reasonable detail, the parties, payment arrangements and purpose of all transactions and disposition of assets. No accounts are to be kept 'off the books' for any reason.

Monitoring of Policy

The gift register will be provided at each Audit Committee meeting of each of the Companies

Review of Policy

This policy will be reviewed annually by the Board.

Approved by the Board: June 2020