



Anti-Bribery and Anti-Corruption Policy

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Aurizon Holdings Limited (the Company)

ACN 146 335 622
Level 8, 900 Ann Street
Fortitude Valley QLD 4006
Australia

Contact

Telephone: 13 23 32

Email: legal@aurizon.com.au or internal.audit@aurizon.com.au

Website: www.aurizon.com.au

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Anti-Bribery and Anti-Corruption Policy

1. Statement of Commitment

- 1.1 Aurizon Holdings Limited and its subsidiaries (collectively the Company) are committed at all times to operate and act within the Company's values of Safety, People, Integrity, Customer and Excellence and central to this is the Company's commitment to compliance with laws and to the highest ethical standards in all of the Company's business conduct, including strict compliance with Australia's *Criminal Code Act 1995* (Cth) (Criminal Code), Australia's state and territory legislation and international anti-corruption and anti-bribery standards.
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2. Application

- 2.1 The Company requires full compliance with all applicable anti-corruption and anti-bribery laws by all employees, contractors, directors, officers, agents and representatives of the Company (for the purpose of this Policy, collectively referred to as Employees), regardless of citizenship or work location.
- 2.2 In addition to potential reputational damage violations of anti-corruption laws can carry severe civil and criminal penalties for the Company and its Employees personally, both in Australia and in other jurisdictions. Violations of company policies can have severe employment consequences, up to and including termination.
- 2.3 All Employees are required to be familiar with and comply with the policies and guidelines (the Policy) set forth here, as amended or supplemented from time to time, at all times whether in Australia or in another jurisdiction.
- 2.4 Each of the Company's business units will ensure that appropriate training is provided to Employees likely to be exposed to bribery or corruption, so that at-risk Employees are able to recognise and deal with it in accordance with this Policy. Appropriate training will consist of either face to face training or on-line training delivered at varying intervals depending on the risk profile and physical location of the Employees concerned. The format, frequency and content of the training will be determined by Aurizon Legal in consultation with the relevant business unit.
- 2.5 This Policy supports the Aurizon Code of Conduct including the Company's values and in particular the Company's firm commitment to conduct ourselves lawfully, ethically and fairly.
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3. Definitions

3.1 Meaning of "Thing of Value"

Under this Policy a Thing of Value is broadly defined and includes both money and non-money items such as information, gifts, entertainment, favours, services, loans and loan guarantees, investment or business opportunities, the use of property or equipment, educational or travel opportunities, job offers (including to a Government Official's relatives), transportation, and the payment or reimbursement of debts. Even small payments or benefits are prohibited if they are intended as, or could be perceived as, bribes.

3.2 Meaning of "Improper Benefit" / "Business Advantage"

Improper benefits and business advantages are defined broadly. These include both money and non-money benefits including any commercial or financial benefit of any kind. For example, a payment to secure a contract or a concession as well as a payment to persuade a Government Official not to impose a fine or tax, or to minimise such a fine or tax, would violate this Policy, as would a payment to prevent enforcement of an applicable law or regulation. Similarly, payments to influence a Government Official's decision to award a permit or license would also violate this Policy.

4. Prohibition against bribery of Government Officials

4.1 Prohibited conduct

- (a) The Company strictly prohibits engaging in or tolerating bribery of Government Officials or any other form of corruption. Conduct which constitutes bribery and corruption is detailed below.
- (b) The Company and its Employees:
 - (i) must not give or offer to give money or a Thing of Value to a Government Official to secure any improper benefit or to obtain or retain a business advantage; and
 - (ii) must not offer or give money or a Thing of Value to a political party, a party official or a candidate for political office in order to influence official acts or decisions of that person or entity, to secure any improper benefit, or to obtain or retain a business advantage.
- (c) This Policy prohibits corruptly conveying a Thing of Value to a Government Official either directly or through dealers, agents, contractors, intermediaries, or other third parties. Improper benefits to family members of Government Officials are also prohibited.
- (d) There is no exception for where the Government Official demands or suggests the payment, except in circumstances where the payment is required to protect an individual's safety.
- (e) It is important to recognise the difference between a bribe and extortion. The health and safety of Employees is a priority. If an Employee is in a situation where a payment must be made in order to protect the Employee, or someone else, from physical harm, or an Employee is faced with the threat of, or fear of, violence, payment should be made. Full details of the payment must then be made to the Aurizon Internal Audit Team without delay.
- (f) Further, the Company and its Employees must keep accurate books and records that fairly reflect all transactions involving the Company's assets, and must ensure that all transactions are properly authorised in accordance with this Policy.

4.2 Meaning of "Government Officials"

Under this Policy and anti-corruption laws, Government Official is defined very broadly, and includes:

- (a) any person engaged in public duty in a government agency. This includes any elected or appointed official or employee of a government, at any level including national or local government entities. This also includes members of legislative, administrative and judicial bodies, as well as low-level employees of government agencies, such as office workers;
- (b) any officer or employee of government-owned or government-controlled entities, including state-owned entities that operate in the commercial sector;
- (c) any officer or employee of a public international organisation (such as the United Nations, the World Bank or the International Monetary Fund);
- (d) any person acting in an official capacity for a government, government agency or state-owned enterprise (for example, someone who has been given authority by a government entity to carry out official responsibilities); and
- (e) any political party, official of a political party and any candidate for political office.

5. Donations and Sponsorship

5.1 Political Donations

The Company may choose to make donations or other contributions to political parties where permitted by law and strictly in accordance with this Policy. All political contributions (monetary and non-monetary) made by the Company, regardless of the source of the funds, must be approved in advance by the board of directors in accordance with the Company's delegations of authority manual.

5.2 Charitable Donations and Sponsorship

- (a) As a general policy, charitable donations and sponsorship arrangements entered into by the Company should be for approved causes, made to registered entities and must not create adverse reputational risks.
- (b) Employees must ensure that they have obtained and reviewed all relevant information about the charity or sponsorship recipient to ensure that it is:
 - (i) reputable and financially solvent;
 - (ii) not politically or ethically controversial; and
 - (iii) agreeable to providing satisfactory details of financial and other aspects of the charity or sponsorship cause.
- (c) Once the above matters have been established, the Employee proposing a charity or sponsorship arrangement should seek approval in accordance with the Company's delegations of authority manual and any other applicable company policies or programs, including the Aurizon Community Giving Fund. Once approval has been obtained a charity or sponsorship agreement should be signed by the recipient and a copy of that agreement should be retained for the Company's records.

6. Prohibition against bribery of private persons

- 6.1 The Company and its Employees must not give or offer to give money or a Thing of Value to any private person or company to secure an improper benefit, or to influence any private person to act improperly in the performance of his or her function.
- 6.2 Similarly, the Company and its Employees must not receive or accept money or a Thing of Value from any person or company as an inducement to provide an improper benefit or a business advantage, or to otherwise act improperly in the performance of his or her function.

7. Conflicts of Interest and Kickbacks

- 7.1 Conflicts of interest arise when a personal interest interferes or even appears to interfere, with the best interests of the Company. It is a duty for all Employees to at all times act in the best interests of the Company.
- 7.2 A conflict of interest can develop into a bribery problem when an Employee requests, agrees to receive or receives a Thing of Value (whether financial or otherwise), in a manner that interferes, or appears to interfere, with the Employee's judgment in performing his or her functions on behalf of the Company. This would include a benefit provided to that Employee's family.
- 7.3 If an Employee considers that they have a perceived or actual conflict of interest, concerning any matter, they must declare the conflict of interest in accordance with the Code of Conduct at the earliest opportunity.

- 7.4 This Policy strictly prohibits the giving and receiving of bribes, kickbacks, or improper benefits.
- 7.5 Any kickbacks or other payments to a client or other commercial party to secure a business advantage are prohibited.
- 7.6 Any kickbacks or other payments to a supplier to obtain a business advantage for the Company are also prohibited. This prohibition applies to kickbacks paid directly by the Company as well as to payments made indirectly, such as payments to customers or suppliers by members of the sales staff using funds paid to them as sales commissions.
- 7.7 Any offers of bribes, kickbacks, or improper benefits made to Employees, even if refused, must be reported to the Aurizon Internal Audit Team immediately.
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8. Retention of third parties and entering into joint ventures

- 8.1 Retaining the services of any third party, including a dealer, agent, consultant, contractor or other representative (referred to here collectively as Agents) or entering into joint venture arrangements with third parties can raise compliance issues.
- 8.2 As a general matter, all agreements with Agents or joint venture partners must be in writing and must describe the services to be performed, the fee basis, the amounts to be paid, and other material terms and conditions. Payments must be reasonable in the circumstances, bear a direct relationship to the value of the services rendered and must be in full compliance with all applicable governing laws.
- 8.3 Agreements with Agents or joint venture partners in higher risk jurisdictions must contain written provisions requiring the Agents or joint venture partners to comply fully with all anti-bribery and anti-corruption laws, rules and regulations, as well as the terms of this Policy, a copy of which should be made available to all Agents and joint venture partners. Such agreements should also contain an obligation on the part of the Agent's or joint venture partner's representatives to certify periodically that such representatives have no knowledge of any acts, or suspected acts, of bribery and corruption.
- 8.4 Payments to Agents or joint venture partners must only be made in circumstances where there is a written agreement with that Agent or joint venture partner. Any payment made must be strictly in accordance with that agreement and no separate payments can be made to the Agent or joint venture partner outside of those payments contemplated by the agreement.
- 8.5 Payments to Agents or joint venture partners should be made to the Agent's or joint venture partner's bank account in the country where the services are performed or where the Agent's or joint venture partner's offices are located, and must never be made in cash.
- 8.6 Owing to the risks that can be raised as a result of contracts with Agents or joint venture partners, engagement of any Agents or entry into any joint ventures should be conducted in close consultation with the Aurizon Legal Team. Where appropriate, background checks and due diligence will be conducted before engaging the Agent or entering into the joint venture.
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9. Gifts, Meals and Entertainment

9.1 Gifts, Meals and Entertainment

- (a) Gifts are free or heavily discounted items. Gifts may be enduring, such as a work of art, or consumables, such as a box of chocolates or a bottle of wine. They can range in value from nominal to significant and be given for different reasons.
- (b) Although the giving of business gifts, meals or entertainment may be common practices, it also may give the appearance of improperly influencing a third party in order to obtain an improper benefit or business advantage.
- (c) Accordingly, providing or accepting meals, entertainment or gifts with the intention or appearance of improperly influencing a third party (whether in the private or public sector) in

order to obtain an improper benefit or business advantage for the Company, or for any other corrupt purpose, is strictly prohibited.

9.2 Dealing with Government Officials

- (a) The provision of certain benefits to Government Officials may violate governing laws, rules and regulations which should be checked prior to offering or giving any gifts, meals or entertainment to Government Officials to ensure compliance.
- (b) Where the provision of gifts, meals and entertainment is allowed to Government Officials you must ensure that:
 - (i) Government Officials are not reimbursed for meals or entertainment nor provided with cash per diems;
 - (ii) All meals, entertainment and gifts provided to Government Officials are reported to the Chief Internal Auditor and recorded on the gift register. Receipts and details should be retained with the record;
 - (iii) All planned meals and events involving Government Officials are pre-approved by the relevant Aurizon VP or EVP and the Aurizon Legal Team;
 - (iv) Expenses are for amounts that are reasonable in the circumstances, consistent with local practice and consistent with travel expense amounts for Employees; and
 - (v) It is not otherwise prohibited under any Company policy, standard or guidelines.

9.3 Dealing with Private Persons

- (a) In relation to gifts, meals and entertainment offered to private persons (including corporate entities), gifts, meals and entertainment should be reasonable as to value and frequency. Meals, entertainment or gifts may not be provided with the intention, or appearance of, improperly influencing a private person in relation to the Company's business.
- (b) In addition, meals, entertainment or gifts may not be provided if the giving of such is prohibited by this Policy or any other Company policy, standard or guidelines or if the recipient is prohibited by his or her employer's policies from receiving them.
- (c) In all cases, the provision of meals, entertainment or gifts above the relevant pre-approved threshold must be approved by the relevant VP or EVP and accurate records of the meals, entertainment and gifts must be kept and be available for inspection by the Aurizon Internal Audit Team.

9.4 Receipt of Gifts, Meals and Entertainment

- (a) Employees may accept gifts, meals and entertainment from third parties only in circumstances where the amount and frequency are reasonable in the circumstances, there is not and would not reasonably be the appearance of a conflict of interest and the acceptance of the gifts, meals or entertainment is not otherwise prohibited by this Policy or any other Company policy, standard or guidelines. If Employees are uncertain as to whether the acceptance of a gift, meal or entertainment is permitted, they must immediately bring the matter to the attention of their manager.
- (b) In accordance with the Code of Conduct, Employees must report all gifts, benefits or hospitality that are not of a token nature to their manager and a record of the gift or hospitality must be kept and be available for inspection by the Aurizon Internal Audit team.

10. Travel

- 10.1 Under this Policy, a Thing of Value also includes travel expenses, such as travel to inspect the Company's offices or facilities or to a seminar or promotional event sponsored by the Company.
- 10.2 Paying for or reimbursing travel expenses with the intention or appearance of improperly influencing a third party in order to obtain a business advantage for the Company, or for any other corrupt purpose, is strictly prohibited.
- 10.3 Because of potential risks in this area, support for travel by Government Officials should be pre-approved by the Aurizon Legal Team.
- 10.4 As a general rule, offers to Employees of sponsored travel may only be accepted if necessary for a valid business purpose and approved in advance by the Employee's VP or EVP. If there is a valid business purpose to attend an event or function, the Company, at its discretion, may pay for any travel and/or accommodation costs. Sponsored travel not otherwise permitted is not made acceptable by being undertaken during a period of leave.

11. Grease and Facilitation Payments

- 11.1 A 'facilitation', 'speed' or 'grease' payment is a small bribe made to secure or expedite the performance of a routine or necessary action to which the payer is entitled. Examples include:
 - (a) processing government papers such as visas;
 - (b) obtaining permits, licences or other official documentation to allow a person or entity to carry on business in a country;
 - (c) inspections regarding contract performance or the transportation of goods;
 - (d) clearing cargo or goods through customs;
 - (e) providing police or army protection; and
 - (f) providing utilities such as power and water.
- 11.2 Under this Policy, all payments to Government Officials to secure an advantage, including payments made to Government Officials to expedite or to secure the performance of a routine governmental action, are prohibited.
- 11.3 To the extent that facilitation payments are specifically permitted under local law, such payments may only be made if approved in advance by the Aurizon Legal Team.
- 11.4 Again, it is important to recognise the difference between a bribe and extortion. The health and safety of Employees is a priority. If an Employee is in a situation where a payment must be made in order to protect the Employee, or someone else, from physical harm, or an Employee is faced with the threat of, or fear of, violence, payment should be made. Full details of the payment must then be made to the Aurizon Internal Audit Team without delay.
- 11.5 There are practical ways that Employees can avoid making facilitation payments. Employees are encouraged, where they feel safe doing so, to consider any of, or a combination of, the following:
 - (a) research local laws in advance and know what authorisations, permits, etc, are required beforehand. This may include asking informally for advice from existing contacts in government, etc;
 - (b) in some instances, it may be possible to receive advance written confirmation that papers and other relevant documents are in order;
 - (c) question the legitimacy of the request for a facilitation payment;
 - (d) explain to the official that you don't believe you need to make the payment (use your research

- on local laws to support this, provide any confirmation that your papers are in order, etc);
- (e) communicate to the official making the request for the facilitation payment:
 - (i) the Company's policy against facilitation payments;
 - (ii) that the request for the facilitation payment and any resulting payment may be in breach of both local and international anti-corruption laws; and
 - (iii) that you will be obliged to report the request for the facilitation payment to the Company.
 - (f) explain to the official that, if the payment were to be made on the basis that such payment was legitimate, you would require a receipt for the payment and identification details of the official making the demand (the idea here is to persuade the official against pursuing any illegitimate payment);
 - (g) politely request to consult with the official's superior;
 - (h) where the official maintains that the payment is legitimate, suggest that an invoice be rendered for the payment by the government agency / organisation and that it be paid on receipt of the invoice directly to the relevant government agency / organisation (as opposed to being paid in cash to the official);
 - (i) seek advice from the Aurizon Legal Team (who may engage a local lawyer to provide advice on the relevant jurisdiction's laws in order to differentiate between properly payable fees and disguised requests for facilitation payments); and
 - (j) build realistic timescales for the deliverables under an agreement to allow for resisting and testing demands for facilitation payments.
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12. Raising concerns

- 12.1 All Employees must report suspected or actual breaches of this Policy directly to the Aurizon Internal Audit Team or in accordance with the Whistleblower Policy.
 - 12.2 The Whistleblower Policy provides a mechanism whereby Employees and others can report their concerns freely and without fear of reprisal or intimidation, including by using the Whistleblowers Hotline as described in the Whistleblower Policy.
 - 12.3 As set out in the Whistleblower Policy, all reports of improper conduct will be treated seriously and be the subject of a thorough investigation, and the Company will not tolerate any adverse repercussions for anyone who makes a report of improper conduct (provided the report is made in good faith and the Whistleblower has not engaged in improper conduct themselves).
 - 12.4 If you have any questions concerning this Policy or possible violations of this Policy please contact the Aurizon Legal Team or Aurizon Internal Audit Team.
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13. Review

This Policy is subject to periodic review by the Board.