



ANTI-BRIBERY & CORRUPTION POLICY

APPROVED

www.namoi cotton.com.au



1.0 INTRODUCTION

The policy applies to Namoi Cotton Limited (ACN 010 485 588) and its subsidiaries, associates, joint ventures and related entities (known as “Namoi Cotton”).

2.0 APPLICATION

This Policy applies to all non-executive directors, senior management, line management, employees (permanent, casual, temporary and contract), consultants, suppliers, agents, and contractors for Namoi Cotton (“Representatives”). It is expected that Representatives understand what is considered unacceptable conduct and what standards of conduct are required to protect individuals and the reputation of Namoi Cotton.

3.0 PURPOSE AND OBJECTIVE

This Anti-Bribery & Corruption Policy sets out Namoi Cotton’s commitment to undertaking business without the use of bribery, fraudulent or corrupt practices.

The objective of this Policy is to:

- (a) set out the responsibilities in observing and upholding Namoi Cotton's position on bribery and corruption;
- (b) reinforce Namoi Cotton's values; and
- (c) provide information and guidance to those working for Namoi Cotton on how to recognise and deal with bribery and corruption issues.

Namoi Cotton is committed to conducting business ethically and honestly with high standards of corporate governance; it does not accept corrupt and fraudulent conduct associated with its business operations.

Fraud and corruption may impact Namoi Cotton’s reputation and also may have penalties and criminal prosecution for individuals involved.

Representatives must ensure that they do not become involved, in any way, in the payment of bribes or kickbacks, whether in the public or commercial sector.

Namoi Cotton has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings.

4.0 POLICY

Namoi Cotton requires all Representatives to act honestly and with integrity and to safeguard Namoi Cotton resources for which they are responsible. Namoi Cotton is committed to protecting all revenue, expenditure, and assets from any attempt to gain illegal financial or other benefits.

Any fraud or corruption committed against Namoi Cotton is a major concern and as a consequence all cases will be thoroughly investigated, and appropriate disciplinary action will be taken against any staff member who is found guilty of corrupt or fraudulent conduct. This may include referral to the appropriate law enforcement or regulatory agencies for independent investigation.

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The Code of Conduct assists in preventing fraud and corruption within Namoi Cotton and it specifically requires employee to comply with this Policy.

5.0 WHAT IS BRIBERY & CORRUPTION

Bribery is when a Representative exercise their duties in their designated position to improperly influence individuals to act dishonestly, representing an abuse of position of employment for personal or improper gain for Namoi Cotton. Bribery could be to a public official or family member or can take place where an improper payment is made by or through a third party. This type of conduct is known as corrupt conduct.

Examples of a bribe include:

- an offer or kickback;
- a payment of inappropriate entertainment, hospitality, travel and accommodation expense for a business partner, government official or their relative;
- payments or gifts to government officials or their relatives;
- provision of excessive gifts, cash, sponsorship;
- uncompensated use of company services, facilities or property, or
- secret commissions.

Corruption is defined as a dishonest activity in which a Representative acts contrary to the interests of Namoi Cotton and abuses his/her position of trust in order to achieve personal gain or advantage for him or herself or for another person or entity.

Examples of corrupt conduct include but are not limited to:

- payment of secret commissions (bribes or gratuities) in money, or some other value, to other businesses, individuals or public officials
- receipt of bribes or gratuities from other businesses, individuals or public officials
- release of confidential information, for other than a proper business purpose, sometimes in exchange for either a financial or non-financial advantage
- a staff member manipulating a tendering process to achieve a desired outcome
- a conflict of interest involving a Representative acting in his or her own self-interest rather than the interests of Namoi Cotton.

Namoi Cotton has a zero tolerance for corruption and bribery. An offer or acceptance of a bribe is in breach of this Anti-Bribery and Corruption Policy.

6.0 WHAT IS FRAUD

Fraud is defined as an intentional act by one or more individuals involving the use of deception to obtain an unjust or illegal advantage. It may include the falsification of documents and improper use of position for personal financial gain.

Examples of fraud could include, but are not limited to:

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- misappropriation of funds, securities, stock, supplies or other assets including use of assets for private purposes
- causing a loss to Namoi Cotton or creating a liability for Namoi Cotton by deception
- impropriety in the handling or reporting of money or financial records
- profiting from insider knowledge of Namoi Cotton activities
- accepting or seeking anything of value from contractors, vendors or persons providing services or goods to Namoi Cotton
- false invoicing for goods or services never rendered or backdating agreements
- submission of exaggerated or wholly fictitious accident, harassment or injury claims
- misuse of sick or family leave.

7.0 BRIBERY LAWS & ENFORCEMENT

In Australia, all Representatives of Namoi Cotton are subject to Anti-Bribery Laws including the Criminal Code Act 1995 (Australia). Various countries have Anti-Bribery Laws and, in those countries, their anti-bribery and corruption laws will apply. If you undertake an act of bribery, this may result in prosecution against you and the company (Namoi Cotton Group) in Australia and other jurisdictions.

As a result, the person providing a bribe and the company they work for will be guilty of breaching Anti-Bribery Laws in multiple jurisdictions (if the bribe is made outside Australia).

Financial penalties for bribery offences can be significant and bribery offences may lead to imprisonment. Any bribe made or accepted from government officials carries increased financial penalties and risk of imprisonment.

The impact of bribery actions can also include:

- impact on reputation and business operations;
- failure to certify compliance with laws for various matters including key financing arrangements;
- breach of contract provisions for various relationships i.e. compliance with applicable laws; and
- regulator review and continued oversight.

If you are in doubt whether an action may constitute bribery, you should discuss the circumstances with the Chief Executive Officer, Company Secretary, the Chairman or General Manager of Namoi Cotton. Alternatively you may take action under the Namoi Cotton Ltd Whistleblower Policy available on the Namoi Cotton website www.namoicotton.com.au.

8.0 EMPLOYEE OBLIGATIONS

The Board and senior executive management are ultimately responsible for setting the tone at the top and have a responsibility to:

- ensure there is effective fraud and corruption risk management framework in place
- understand the fraud and corruption risks that Namoi Cotton is exposed to
- maintain oversight of the fraud risk assessment and the controls in place to mitigate the risks identified

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- monitor reports on fraud risks, policies and control activities which include obtaining assurance that the controls are effective
- fostering an environment within the business that makes active fraud and corruption control a responsibility of all employees
- articulating clear standards and procedures to encourage the deterrence of fraud and corruption; and
- the detection and reporting of offences should they occur.

All employees are responsible for complying with company policies and procedures, codes of personal conduct and ethics, avoidance of conflict of interest and maintaining vigilance in early detection, reporting and prevention of fraud and corruption.

In addition, employees can assist in minimising fraudulent corrupt conduct by:

- being aware of responsibilities (acting in accordance with policies and job description in an ethical and honest manner);
- complying with the Namoi Cotton Code of Conduct.
- complying with the Gifts, Entertainment, Hospitality, Sponsorship & Donations Policy;
- not accepting bribes or facilitation payments or committing fraudulent acts.
- acting in the best interests of Namoi Cotton; and
- undertaking reporting of possible fraudulent or corrupt conduct.

9.0 INTERNAL CONTROLS

Senior executives are responsible for communicating and raising awareness of the risks relating to fraud and corruption with employees and for ensuring compliance with company policies and procedures, adequate rotation of employees and levels of staffing are in place.

Most importantly, senior executives should establish and maintain adequate internal controls that provide for the security and accountability of company resources and prevent/reduce the opportunity for fraud and corruption to occur.

Senior executives have primary responsibility for:

- investigating internal and external fraud and corruption matters, including using external parties where required and notifying law enforcement or regulatory agencies as necessary
- conducting an annual fraud and corruption risk assessment via workshops with their respective businesses to assess the adequacy and effectiveness of the Company's fraud risk management processes
- ensuring that the risk of fraud and corruption are being appropriately managed and controlled by business units
- analysing loss trends arising from fraud; and
- advising and assisting relevant business units in the implementation and maintenance of best practice techniques and controls to prevent and detect fraud and corruption.

Senior executives are also responsible for ensuring adequate procedures are in place that address:

- appropriate security screening and selection of employees

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- disciplinary / dismissal procedures
- employment contracts that include relevant conditions of employment relating to fraudulent and corrupt conduct
- monitoring of annual leave entitlements to ensure that employees do not accumulate excessive annual leave entitlements i.e four weeks over and above their yearly entitlement
- clarification and formalisation of responsibilities / segregation of duties (where possible, these should be included in relevant position descriptions)

Internal audit

Internal audit, as part of its audit activity is required to:

- assess the adequacy and effectiveness of the Company's fraud and corruption risk management processes, in line with the Company's risk management policies
- support any investigation of any suspected fraud or corrupt activity
- ensure that fraud and corruption risk is being appropriately managed including compliance with this Policy
- analyse loss trends arising from fraud and advise employees in the implementation and maintenance of best practice techniques and controls to prevent and detect fraud and corruption.

Any specific fraud risks (with high or moderate risk rating) flagged by the annual fraud risk assessment will form part of the annual internal audit program.

10.0 REPORTING BRIBERY, CORRUPTION AND FRAUD

Namoi Cotton encourages all persons to report fraudulent and corrupt conduct. If you are in doubt whether any actions may constitute fraud you should discuss the circumstances with the Chief Executive Officer, Company Secretary or the Chairman or alternatively you may take action under the Namoi Cotton Ltd Whistleblower Policy available on the Namoi Cotton website www.namoicotton.com.au.

Namoi Cotton will take all steps necessary under the law to protect the individual raising the concern.

Namoi Cotton encourages all persons to report genuine possible concerns in good faith under this Policy. No Representative will suffer demotion, or penalty for raising legal or ethical matters or possible breach of this Policy. All concerns can be raised anonymously under the Whistleblower Policy.

11.0 INVESTIGATION AND ASSESSMENT

The Company Secretary and Chief Financial Officer will investigate the claim, or if it is about either of these individuals it will be assessed by the Chief Executive Officer. The Company Secretary will notify the Board of the allegation and provide a report and copy of investigation files to the Chairperson of the Audit, Risk & Compliance Committee.

All fraud and corruption notification under the Whistleblower Policy will be subject to the provisions of the Whistleblower Policy.

The investigation report will be provided to the Audit, Risk & Compliance Committee for recommendation to the Board.

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If the fraudulent or corrupt conduct relates to a person in authority for reporting or investigation, then that person will be replaced by the Board for the process.

If a report involves a non-executive director, the Chief Executive Officer or senior executive, the Namoi Cotton Limited Board must be notified immediately.

12.0 RESOLUTION

Namoi Cotton will take prompt action if investigation requires. This may include disciplinary action and reporting to regulatory bodies or law enforcement bodies.

13.0 REPORTING IN GOOD FAITH

A report may have a serious consequence, such as damage to reputation and career progression. All reports must be made in good faith, with reasonable facts believing the information is correct or likely to be correct. Namoi Cotton will investigate all reports under this Policy. Disciplinary action may be taken against employees which deliberately make a false or malicious allegation under this Policy.

14.0 POLICY COMPLIANCE

Failure to comply with this Policy may result in disciplinary action, counselling or dismissal.

15.0 QUESTIONS AND TRAINING ON THE POLICY

If you have any queries on this Policy or require training on this Policy please contact the General Manager of People, Culture and Safety. Namoi Cotton will offer training to all employees as part of all staff annual refresher training.

16.0 PUBLICATION

A copy of Namoi Cotton Anti-Bribery and Corruption Policy is available on the Namoi Cotton website.

17.0 REVIEW OF THE POLICY

This Policy will be reviewed annually or when required by the Board.

This Policy may be reviewed, amended or replaced at the sole discretion of Namoi Cotton.

The Policy was reviewed, updated and approved by the Board in July 2020.

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