

ANTI BRIBERY & CORRUPTION POLICY

Adopted by the Board October 23 2016

Version 1.1

The Merkin Group Australia
(and all of its subsidiaries)



Merkin Pastoral Holdings Pty Ltd



Anti Bribery and Corruption Policy

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1. INTRODUCTION

1.1 Whoever we may deal with, and wherever we may operate, we are committed to doing so lawfully, ethically and with integrity. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.

1.2 We must not, and we must ensure that any third party acting on our behalf does not, act corruptly in our dealings with any other person.

1.3 This anti-bribery and corruption policy sets out The Merkin Group's policies to prevent acts of bribery and corruption.

1.4 These policies and procedures have been designed to comply with legislation governing bribery and corruption on a global basis.

1.5 This policy provides guidance on the standards of behaviour to which we must all adhere and most of these reflect the common sense and good business practices that we all work to in any event.

1.6 This policy is designed to help you to identify when something is prohibited so that bribery and corruption is avoided, and provide you with help and guidance if you are unsure about whether there is a problem and you need further advice.

2.WHO THIS POLICY APPLIES TO

2.1 The fundamental standards of integrity under which we operate do not vary depending on where we work or who we are dealing with. This policy applies to all The Merkin Group shareholders, directors, officers, managers and staff – ie all employees (full and part time) and temporary workers (such as consultants or contractors) (together referred to as “employees” in this document) across the group no matter where they are located or what they do.

2.2 It is the responsibility of each of us to ensure that we comply with these standards in our daily working lives. This policy sets out a single standard that all employees must comply with, regardless of whether local law or practices might permit something to the contrary.

2.3 Part of The Merkin Group’s commitment to prevent bribery and corruption is to ensure that the people acting on our behalf also do so in compliance with effective anti- bribery and corruption policies. Accordingly, where we engage third parties such as agents, distributors or joint venture partners, we have obligations to complete sufficient due diligence when entering into arrangements to ensure that they are not acting corruptly, and to periodically monitor their performance to ensure ongoing compliance.

2.4 In short, if we can’t do it, neither can they.

2.5 Failure to comply with this policy, whether or not this is intentional, may lead to disciplinary action (up to and including dismissal), and

criminal liability for the individual involved (up to and including imprisonment).

2.6 Employees will be required to confirm that they have read and understood the policy and that they comply with its terms as part of their ongoing employment assessment processes. In addition, relevant employees will be required to attend training to support the guidance in this policy.

3.GETTING HELP

3.1 If you are unsure about your obligations under this policy, you should contact one of the following people for help:

In the first instance, your local CEO in each country or

Sean Rothsey, Chairman, The Merkin Group, Noosa
Email sean@merkin.com.au Tel +61 419 712 685

OR

Alexa Chiang Group Director Legal and Business Affairs
Merkin Advisory Ltd and Emerald Foods (HK) Ltd Hong Kong
Email alexa@emeraldfoods.hk.com Tel + 852 2236 0001

4.WHAT IS BRIBERY?

4.1 Bribery involves the following:

- when a financial or other advantage is offered, given or promised to another person with the intention to induce or reward them or another person to perform their responsibilities or duties improperly (it does not have to be the person to whom the bribe is offered that acts improperly); or
- when a financial or other advantage is requested, agreed to be received or accepted by another person with the intention of inducing or rewarding them or another person to perform their responsibilities or duties inappropriately (it does not have to be the person who receives the bribe that acts improperly).

4.2 It does not matter whether the bribe is:

- given or received directly or through a third party (such as someone acting on The Merkin Group's behalf, for example an agent, distributor, supplier, joint venture partner or other intermediary); or
- for the benefit of the recipient or some other person.

4.3 Bribes can take many forms, for example:

- money (or cash equivalent such as shares);
- unreasonable gifts, entertainment or hospitality;
- kickbacks;
- unwarranted rebates or excessive commissions (e.g. to sales agents or marketing agents);
- unwarranted allowances or expenses;
- "facilitation" payments/payments made to perform their normal job more quickly and/or prioritise a particular customer;
- political/charitable contributions;
- uncompensated use of company services or facilities; or
- anything else of value.

4.4 This policy applies to both the public and private sectors. Dealing with public officials poses a particular high risk in relation to bribery and corruption and specific guidance when dealing with public officials is set out below.

4.5 A breach of bribery laws can result in fines for both the company and the individual involved and in some jurisdictions could also result in imprisonment.

5.HOW DO I KNOW IF SOMETHING IS A BRIBE?

5.1 In most circumstances, common sense will determine when a bribe is being offered. However, here are some questions you should ask yourself if in doubt:

- am I being asked to pay something or provide any other benefit over and above the cost of the services being performed, for an

example an excessive commission, a lavish gift, a kickback or make a contribution to a charity or political organisation?

- am I being asked to make a payment for services to someone other than the service provider?
- re the hospitality or gifts I am giving or receiving reasonable and justified? Would I be embarrassed to disclose them?
- when a payment or other benefit is being offered or received, do I know or suspect it is to induce or reward favourable treatment, to undermine an impartial decision making process or to persuade someone to do something that would not be in the proper performance of their job?

6.POLICIES AND PROCEDURES

A.GENERAL PROHIBITION

6.1 All forms of bribery and corruption are prohibited. We will not tolerate any act of bribery or corruption. Any breach of this policy or local law could result in disciplinary action being taken and ultimately could result in dismissal.

6.2 A bribe does not actually have to take place - just promising to give a bribe or agreeing to receive one is prohibited.

6.3 Bribery is prohibited when dealing with any person whether they are in the public or private sector and the provisions of this policy are of general application. However, many countries have specific controls regarding dealing with public officials and this policy includes specific requirements in these circumstances.

B.GIFTS, HOSPITALITY AND EXPENSES

6.4 Giving or receiving gifts or hospitality is often an important part of maintaining and developing business relationships.

6.5 However, all gifts and hospitality should be for a genuine purpose, reasonable, given in the ordinary course of business and should comply with the The Merkin Group General Policies, Expenses Policy and local laws.

6.6 Lavish or unreasonable gifts or hospitality, whether these are given or received, are unacceptable as they can create the impression that we are trying to obtain or receive favourable business treatment by providing individuals with personal benefits. In addition, gifts and hospitality can themselves be a bribe. Be careful to avoid even the appearance that the giving or accepting of gifts or hospitality might influence the decisions you take on behalf of The Merkin Group.

C.FACILITATION PAYMENTS

6.7 Facilitation payments are any payments, no matter how small, given to an official to increase the speed at which they do their job. For example, this could include speeding up customs clearance.

6.8 All facilitation payments are generally prohibited. However, your safety is our primary concern and we understand that there may be circumstances in which you have no alternative but to make a facilitation payment in order to protect against loss of life, limb or liberty. Any request for a facilitation payment should be reported to your local anti-bribery and corruption officer.

D. AGENT, DISTRIBUTORS, SUPPLIERS, MASTER FRANCHISEES, FRANCHISEES AND JOINT VENTURE PARTNERS

6.9 The Merkin Group could be liable for the acts of people that act on our behalf.

6.10 This includes agents, distributors, suppliers and joint venture partners (together referred to as "third parties"). As such we are committed to promoting compliance with effective anti-bribery and corruption policies by all third parties acting on behalf of The Merkin Group.

6.11 All third parties should be made aware of the terms of the The Merkin Group Codes of Conduct and of their obligations to comply with it. All arrangements with third parties should be subject to clear contractual terms including specific provisions requiring them to comply with minimum standards and procedures in relation to bribery and corruption. Appropriate wording to be included in contracts can be obtained from Group Legal in Hong Kong.

6.12 You must not engage any third party who you know or reasonably suspect of engaging in bribery.

6.13 Appropriate due diligence should be undertaken before any third parties are engaged. The appropriate level of due diligence will vary depending on the circumstances and you should use your judgement on a case by case basis. Questions you should be asking yourself include:

- who are they – have I seen documents evidencing that they are who they say they are (KYC, Anti Money Laundering and Counter Terrorism Funding related protocols)?
- who else have they worked with – do they have references?
- Who do we know that knows them
- are they well established with a good reputation or are they more obscure so that I need to do more to find out about them?
- do they operate in a territory where bribery is prevalent?
- are they happy to sign a contract agreeing to comply with anti-bribery procedures?
- do they have their own anti- bribery programme?
- have I done basic searches such a Google searches, social media searches, linkedin searches, business directory searches, Australian Chamber of Commerce enquiries, etc.?
- have I undertaken a Thompson Reuters World Check (if appropriate)
- are there inconsistencies between the provider of the services and the person I am paying?
- are commissions/payments in line with generally accepted market practice?

6.14 Some high risk transactions will require further due diligence which may require independent investigation. Employees will be provided with helpful guidance and checklists from Group Legal in Hong Kong where appropriate to support the due diligence process.

6.15 Entering into any contract, agreement, Deed, commercial arrangement or joint venture arrangement without prior approval from Group Legal or by resolution of the board of the appropriate Group entity is prohibited.

6.16 All payments and commissions to third parties must:

- Be made in accordance with the Group Authority Framework and the local policies relevant in your business as set by your line manager including but not limited to reasonable payment approvals processes and protocols, the Group Delegated Authorities Matrix (or local Delegated Authorities Matrix where it exists), and reasonable KYC, as well as Anti Money Laundering and Counter Terrorism Funding and Anti Fraud concerns (eg the bank account is in the same name as the counterparty) ;
- Be made via bank transfer through the accounts payable system and be fully accounted for;
- must be in line with generally accepted rates and business practice for the service in question and should not be unjustifiably excessive or unsupportable; and
- must be made in accordance with the terms of the contract with the person or company providing the services.

6.17 If you have any concerns that arrangements with a third party are not in accordance with this policy, you should ask your local CEO or Group Legal in Hong Kong for help.

6.18 KYC, as well as Anti Money Laundering and Counter Terrorism Funding and Anti Fraud guidelines are attached as per Appendix A.

E. DEALING WITH PUBLIC OFFICIALS

6.18 Although this policy applies to both public and private sectors, dealing with public officials poses a particularly high risk in relation to bribery due to the strict rules and regulations in many countries relating to Politically Exposed Persons (PEPs).

6.19 Public officials and PEP include those in government departments, but also employees of government owned or controlled commercial enterprises, international organisations, political parties and political candidates.

6.20 The provision of money or anything else of value, no matter how small, to any public official for the purpose of influencing them in their official capacity is prohibited.

6.21 The prior approval of your local CEO or Group Legal in Hong Kong is required in relation to:

- Any payment in respect of fees, salary or commission (this does not include official fees);
- Gifts and hospitality; and
- Making charitable contributions or political donations in connection with dealings with a public official.

6.22 In addition, many public officials have their own rules regarding the acceptance of gifts and hospitality, etc, and we must respect these rules where applicable.

7.COMPLIANCE WITH THE POLICY

7.1 It is the responsibility of your local CEO to ensure compliance with this policy in each business.

7.2 Ultimate responsibility and legal liability for compliance with this policy throughout the group is taken by the board of directors of Merkin Pastoral Holdings Pty Ltd, each local board of directors and each employee.

7.3 Each of us has an obligation to act with integrity and to ensure that we understand and comply with the policy. Ongoing compliance will be monitored and reported by Internal Audit.

7.4 Training will be provided to relevant employees throughout the group to support them in complying with their responsibilities. If you are not selected for training but believe that it is relevant for you then please ask your local HR manager or CEO for further information.

7.5 In addition, all employees will be required to confirm in writing that they have understood and complied with the policy annually. Failure to comply with this policy will lead to a written warning and failure to comply within 7 days will lead to non discretionary disciplinary action of immediate dismissal.

7.6 In each case where there is reasonable concern about a breach or possible breach of this policy of the party becoming aware of the breach must ensure within 24 hours that an epitome of the matter and recommendation for action (or request for advice) has been sent marked CONFIDENTIAL and high priority to the local CEO, the Group Director Legal and Business Affairs, and the Chairman.

8. WHISTLEBLOWING

8.1 The Merkin Group is committed to ensuring that employees can speak up with confidence if they have any concerns or need to ask for help. If you suspect or observe anything that you think might be in contravention of this policy, you have an obligation to report it. You should raise your concerns with your local CEO or Group Legal in Hong Kong in the first instance.

8.2 Alternatively, you can report your concerns under the Whistleblowing Policy (being formulated November 2016). In the interim you should just raise your concerns with your local CEO or Group Legal in Hong Kong in the first instance.

8.3 The Merkin Group will not tolerate retaliation in any form against anyone for raising concerns or reporting what they genuinely believe to be improper, unethical or inappropriate behaviour.

8.4 All reports will be treated confidentially.

9. Amendments

This Policy may only be amended with the approval of the Board of Merkin Pastoral Holdings Pty Ltd or one of its duly constituted Committees subsequently chartered with this responsibility by way of a resolution of the Board

10. Adoption

10.1 This Policy was approved and adopted by the Board on 23 October 2016

Sean Rothsey

Chairman

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Appendix A

KYC, Anti Money Laundering and Counter Terrorism Funding and Anti Fraud guidelines

1. Who are they

See documents evidencing that they are who they say they are for KYC, Anti Money Laundering and Counter Terrorism Funding related protocols.

- Passport of
 - each ultimate beneficial owner (individuals, trusts, companies)
 - each listed or nominee shareholder
 - each listed or nominee director, officer or secretary
 - each senior manager
- Company Registration Certificate for each entity
- Trust Deed if applicable for each entity
- Company Service agreement for each nominee director, shareholder
- Corporate Authorised Representative agreement for each person or entity if applicable
- proof of address of each person (Drivers license or utility bill (no more than 3 months old)) and entity (company registry and or physical inspection, photos etc)
- Bank statement (no more than 3 months old) .Discretionary
- Bank account used may only be the same name as the counterparty.

2. What are their reputations and good standings ?

- Bank letter of good standing (no more than 3 months old) .Discretionary
- Find who else have they worked with, obtain references. Check references.
- Find out who do we know that knows them. Verify.

3. Are they well established with a good reputation and we need to do more to find out about them?

- do they operate in a territory where bribery is prevalent?
- Sign a contract agreeing to comply with anti-bribery procedures Discretionary.
- View their own anti- bribery programme. Discretionary.
- Basic searches for verification , reputation etc
 - Google searches,
 - social media searches,
 - linkedin searches,
 - business directory searches,
 - fraud and scam site searches,
 - Regulator searches
 - Australian Chamber of Commerce enquiries,
 - Australian Consulate
 - Australian or Australian State Trade Mission

4. Political Checks

- Check UN, US, OECD and Autonomous sanctions lists for
 - The Activity
 - The Country
 - The Region
 - The Person
- Check PEP

5. Further Checks

- Check our bankers fraud and compliance units (if appropriate)
- Thompson Reuters World Check (if appropriate)
- Local Police Certificates (if appropriate)
- Bankruptcy Searches (if appropriate)
- are there inconsistencies between the provider of the services and the person I am paying?
- are commissions/payments in line with generally accepted market practice?

