



Fraud, Anti-Bribery & Corruption Policy

Owner	GM – Risk & Compliance
Application	SCA Property Group
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1. Purpose

1.1 Overview

The Board and senior management of Shopping Centres Australasia Property Group (**SCA** or the **Group**) are committed to conducting the Group's business with honesty, fairness and integrity and the Fraud, Anti-bribery & Corruption Policy (**Policy**) is an important element in deterring illegal and unethical conduct on the part of SCA's officers and employees, including contract or temporary employees (**Employees**).

1.2 SCA Board

SCA's Board and management are committed to maintaining an honest and open atmosphere and is also committed to the identification and investigation of any instances of fraud, bribery and corruption.

1.3 Responsibilities

The prevention, detection and reporting of fraud, bribery and other forms of corruption is the responsibility of all Employees, SCA's service providers, or those under SCA's control e.g. contractors.

2. What is fraud, bribery & corruption¹?

2.1 Fraud

Fraud is intentionally deceiving someone in order to gain an unfair or illegal advantage (financial, political or otherwise).

The main categories of financial fraud in Australia include superannuation fraud, serious and organised investment fraud, mass marketed fraud, revenue and taxation fraud, financial market fraud, card fraud and identity fraud².

In terms of employee fraud, key categories are: asset misappropriation; fraudulent accounting and financial reporting; and corruption³.

Examples of employee fraud include:

- creating "ghost" employees or not deleting ex-employee records and having the salary of these "ghost" employees paid into the fraudster's bank account
- creating bogus suppliers, with payment being made to the fraudster's bank account
- creating bogus purchase orders of a bona fide supplier and substituting the supplier's bank account details with fraudster's bank account details
- obtaining kickbacks or bribes from suppliers or contractors

¹ As defined by Transparency International

² Australian Criminal Intelligence Commission fraud data <https://www.acic.gov.au/about-crime/crime-types/fraud>

³ <https://www.cpaastralia.com.au/~media/corporate/allfiles/document/professional-resources/business/employee-fraud.pdf?la=en>

- associates of the staff providing services to the business at inflated prices
- personal use of business resources
- inflated/bogus reimbursement claims
- manipulation of financial data to receive performance based bonuses
- faking time sheets
- private purchases through business accounts/business credit cards
- providing discounted (or free) goods or services to friends and associates.

Frauds by employees are primarily driven by: pressures, opportunity and rationalisation.

Behavioural 'red flags' in relation to employee fraud include:

- employee is living beyond their means
- employee has financial difficulties
- employee is unusually close with a vendor or customer
- employee is controlling and/or unwilling to share duties
- employee is experiencing divorce or other family problems
- employee subverts standard processes and acts as if the rules don't apply to them

2.2 Bribery

Bribery is the offering, promising, giving, accepting, or soliciting of an advantage as an inducement for action which is illegal, unethical or breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages (taxes, services, donations, favours etc.).

3.2.1 Facilitation Payments are small bribes made to secure or expedite the performance of a routine or necessary action to which the payer has legal or other entitlement.

Under Australia's Commonwealth Criminal Code Act, in relation to bribing foreign officials:

- bribing a foreign public official is an offence if a connection to Australia is established; and
- it is an offence to make a false accounting document for the purpose of concealing or enabling bribes to a foreign public official.

Each Australian State and Territory has legislation criminalising the bribery of both public officials and private individuals.

SCA may be criminally liable for bribery committed by its Employees or agents.

Where directors have failed to take proper measures to prevent and detect bribery it may be a breach of their duties under the *Corporations Act 2001* (Cth).

Where a contract has been entered into as a result of bribery of an agent the contract may not be enforceable, even if a bribe is small in nature.

2.3 Corruption

Corruption is the abuse of entrusted power for private gain. Corruption can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.

2.3.1 Grand corruption consists of acts committed at a high level of government that distort policies or the central functioning of the state, enabling leaders to benefit at the expense of the public good.

2.3.2 Petty corruption refers to everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, police departments and other agencies.

2.3.3 Political corruption is a manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth.

In all Australian States and Territories (except for Tasmania) there are requirements to file returns or make public disclosure of donations in some circumstances.

In NSW, political donations from property developers are unlawful and persons who make a development application must disclose all reportable political donations.

In addition to criminal liability for bribery, each Australian State has created a statutory body with the authority to investigate and report on corrupt conduct in relation to public sector agencies.

3. SCA's Policy

SCA strictly prohibits and does not condone any form of fraud, bribery or corruption.

Neither SCA nor its Employees are authorised to provide or receive anything of value specifically with the expectation of receiving a favourable decision or special treatment. This applies to SCA's dealings with other businesses and governments (whether local, state, federal or international).

Employees must not offer, give, authorise, request or receive "bribes", "secret commissions" or "kickbacks" in the form of money, gifts, preference, privilege or anything of value that alters or is intended to alter the behaviour of any recipient, including recipients acting in an agency or fiduciary capacity.

SCA will not offer facilitation payments.

Employees who breach this Policy or the law may face disciplinary action which could include dismissal.

3.1 Gifts and benefits

SCA Employees must not accept, directly or indirectly, payments, loan services, travel offers, gifts, entertainment or any other gratuities from any Provider⁴ with which a Group company conducts or may conduct business if they are likely to influence (or be perceived to influence) their judgement or choice of goods or services.

A bribe does not include gifts or benefits where the value would not reasonably be considered an inducement to act dishonestly and that are transparent.

⁴ A "provider" includes any supplier or company. Gifts/benefits from Providers that are controlled by a single ultimate parent or Providers that use the same brand should be aggregated for the purposes of applying this Policy. If you are unsure whether a Provider is controlled by a single ultimate parent refer the matter to your manager prior to accepting the gift/benefit.

To ensure transparency if an Employee is to receive a gift/benefit where the aggregate economic value to the recipient from the provider of the gift/benefit in the last 3 months (including the current gift benefit) is:

- **<= \$150** - there is no requirement to notify of a benefit, but Employees are encouraged to record these gifts in SCA's gift register to counter a perception of undue influence;
- **> \$150 but <= \$500** - the gift /benefit must be approved by that Employee's manager or the CEO and the approval and the gift/benefit recorded in SCA's gift register; and
- **> \$500**, the Audit, Risk Management & Compliance Committee (**ARMCC**) Chairman's prior approval (which will only be given in exceptional circumstances) must be obtained before the gift/benefit is accepted and that approval and the gift/benefit recorded in SCA's gifts register.

3.2 Donations & Political Activity

Prior to making a donation Employees must consider any implications for SCA in making a donation to a cause, charity or political party that could conflict with their duties and obligations to SCA.

In NSW, it is unlawful for Directors and Officers of a Property Developer⁵ to make or solicit donations to any political party or to any non-profit or other organization which predominately acts as a conduit for funds to a political party⁶.

SCA doesn't restrict employees from making personal political donations or having political views or associations. However, it must be made clear that any political involvement is purely in your personal capacity and does not represent the views of SCA.

Employees may represent SCA on an industry or government advisory group or trade association provided the CEO has approved the appointment.

3.3 Conflicts of Interest

All Employees are expected to act in the best interests of the Unitholders and refrain from being placed in a position that could result in a conflict between personal activities, financial affairs and their responsibility owed to any of SCPRE, a Fund or Unitholders. All Employees as part of their induction process, are required to provide a declaration in relation to any conflicts of interest they may have. These declarations are updated on at least an annual basis or as a conflict arises in accordance with the Related Party Transactions & Conflicts of Interest Policy.

4. Duties and Responsibilities

4.1 Key Management Personnel

SCA's CEO, CFO & General Counsel/Company Secretary (together, **KMP**), will monitor and ensure compliance with SCA's code of conduct and this Policy and will:

- Ensure sufficient resources are allocated at SCA to meet the organisational needs based on fraud risks;

⁵ As defined at s 53 of the NSW Electoral Funding Act 2018

⁶ In accordance with s 52 of the NSW Electoral Funding Act 2018

- Establish and maintain an effective system for dealing with allegations of fraud, bribery and corruption
- Promote a culture and reporting mechanism which encourages staff to raise issues of legitimate concern
- Ensure that allegations of fraud, bribery or corruption are immediately notified to SCA's Protected Disclosure Committee to undertake and lead any investigation⁷, while retaining overall responsibility themselves
- Seek financial redress where SCA suffers a loss as a result of fraud, bribery or corruption
- Notify the ARMCC of any reports of fraud, bribery or corruption.

4.2 Managers

Managers have an important role to play in informing staff of SCA's Code of Conduct and, in particular, expectations in relation to fraud and bribery, and must:

- Be aware of SCA's fraud and anti-bribery and corruption policy
- Ensure that internal controls are being complied with
- Ensure that background, reference, bankruptcy and police checks are completed on all new employees
- Ensure that all staff complete required fraud, anti-bribery and corruption training
- Report any actual or suspected events of fraud or corruption without delay to SCA's 24hr "Your Call" Hotline⁸

4.3 Employees

All staff must comply with all SCA processes and procedures to prevent fraud events and must:

- Report any actual or suspected events of fraud or corruption without delay to SCA's 24hr "Your Call" Hotline⁹
- Protect the assets, including property and information, of SCA and its Unitholders
- Keep confidential any information relevant to an investigation of suspected fraud. Information may not be disclosed except for the purposes of an investigation and no information relating to an investigation can be disclosed to any person or organisation who may be implicated in the case
- Comply with all applicable laws and regulation relating to ethical business behaviour, procurement, personal expenses, conflicts of interest, confidentiality and the acceptance of gifts and hospitality
- Act in accordance with SCA's Code of Conduct.

4.4 External Audit

SCA's Audit, Risk Management and Compliance Committee (**ARMCC**) undertakes an annual review with the external auditors to ensure that the external audit procedures are aimed at detecting material misstatements in SCA's financial statements, including due to fraud or error. If

⁷ Refer to SCA's Whistleblower Policy for details

⁸ Refer to SCA's Whistleblower Policy for details

⁹ Refer to SCA's Whistleblower Policy for details

the external auditor detects any instances of fraud, bribery or corruption it must report back to the ARMCC.

5. Reporting & investigating suspicions of fraud, bribery & corruption

Any person with a concern about fraud, bribery or corruption must at the earliest opportunity report it:

1. to SCA's 24 hr "Your Call" hotline on:
 - Telephone **1300 790 228**
This is a free call telephone service within Australia and is available between 9am and 12 midnight, recognised business days, AEST; or
 - Website <https://www.yourcall.com.au/report>
This option is available 24/7.
Any disclosure will be required to be entered using SCA's unique identifier code **SCA5**; or
2. in accordance with other reporting channels detailed in SCA's Whistleblower Policy.

The Whistleblower Policy is available at: <https://www.scaproperty.com.au/about/governance/>

Whilst staff would ordinarily report their concerns through their own line manager, to avoid the risk of an investigation unknowingly being compromised or that the extent of others' potential involvement may be unknown, staff are encouraged to report their concerns via the 24hr "Your Call" Hotline or the other avenues of reporting set out in the Whistleblower Policy.

Investigations of concerns about fraud, bribery or corruption will be undertaken in accordance with the investigation process set out in the Whistleblower Policy.

6. How does SCA manage fraud, bribery & corruption?

Internal controls at SCA forming part of the risk framework to prevent fraud, bribery & corruption include:

- Policies & visible support from the "top" articulating the importance of preventing fraud, bribery & corruption
- Separation of financial duties
- Asset register reconciliations and separation of duties
- Bank account reconciliations
- Insider trading policy
- Financial management policies
- Delegations of authority
- Risk assessments to identify and evaluate exposure to fraud, bribery & corruption
- Quarterly & annual monitoring of service provided by key service providers
- Pre-employment screening

- Managerial messages about intolerance of fraudulent or rogue behaviour where controls are bypassed or over-ridden
- Protections offered to whistleblowers
- Provision of training on relevant policies
- Due diligence on service providers

7. Training

Training will be provided to Employees likely to be exposed to bribery or corruption about how to recognise and deal with it

8. Review

This policy will be reviewed on a biennial basis.

9. Related policies

- Code of conduct
- Related party transactions & conflicts of interest
- Outsourcing policy
- Supplier code of conduct
- Whistleblower policy