

FRAUD AND CORRUPTION POLICY

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1. PURPOSE

SGH recognises the importance of protecting the organisation, its operations, employees and assets against financial risks, operational breaches and unethical activities. Fraud and corruption harm legitimate business activities and are serious criminal offences. In a global effort to combat bribery and corruption, anti-bribery and corruption (ABC) laws have been put in place making it an offence to engage in corrupt business practices.

SGH is committed to acting ethically and takes a zero-tolerance approach to fraud, bribery and corruption and shall, at a minimum, comply with all applicable laws (including ABC laws) relevant to countering bribery and corruption in Australia and overseas.

This Policy sets out specific guidelines and responsibilities regarding appropriate actions that must be followed:

- for the investigation of fraud, corruption and other similar irregularities;
- the responsibilities in observing and upholding SGH's position on fraud and corruption; and
- provides its Employees and Contractors with information and guidance on how to recognise and deal with these issues.

2. SCOPE

This Policy applies to all Seven Group Holdings Limited (ABN 46 142 003 469) divisions, subsidiary companies, operating divisions, business units and joint arrangements managed by SGH. It is important to note that anti-bribery and corruption legislation generally includes provisions making it illegal for Australian citizens and businesses to engage in corrupt practices overseas as well as in Australia. All SGH Employees, Contractors and Business Partners must ensure they read, understand and comply with this Policy. It is everyone's responsibility to avoid any activity that might lead to or suggest a breach of this Policy and report any concerns in this regard.

This Policy does not form part of a contract of employment with SGH and may be amended at any time.

This Policy applies to any person or entity which acts for or on behalf of or performs services for SGH, including third party agents, consultants or service providers unless:

- they have their own anti-bribery and corruption policy that General Counsel and Company Secretary has reviewed; and
- General Counsel and Company Secretary has given written approval for this policy to no longer apply to that Business Partner.

3. POLICY STATEMENTS

This Policy provides guidelines to ensure that any benefits given by an Employee, Contractor or Business Partner on behalf of SGH are ethically appropriate and are properly managed and disclosed. SGH is committed to an ethical environment for all employees.

The key principles of this Policy:

- explain the notions of fraud, bribery and corruption and the risks associated with them
- introduce appropriate measures to minimise the risk of fraud and corruption
- deter Employees and Contractors from making malicious accusations
- have no hesitation in referring cases of suspected financial irregularity to the attention of auditors or the police
- support international, national and local initiatives against fraud, bribery and corruption.

4. DEFINITIONS

Fraud refers to actions taken by an Individual to obtain a benefit for themselves or others that is not allowed, warranted or justified. It may involve misuse of a SGH business process or system to hide evidence of the fraud. A fraud may involve collusion between two or more people. For the avoidance of doubt, fraud is an act of deception, with intent to mislead or conceal, in order to gain an unlawful or unfair advantage or to induce another party to do so. A formal definition is provided in Section 16.

Corruption occurs when a person, no matter what their level in the Company, seeks to misuse their position, authority or influence to gain an unfair or illegal advantage for one person at the expense of another, whether there is an actual benefit to themselves or not.

Any general reference to fraud in this Policy should be taken to include corruption. Please refer to the 'Definitions and Abbreviations' section of this Policy for the meaning applied to:

- bribery
- corruption
- fraud
- computer fraud
- government official
- gifts
- anti-bribery and corruption laws.

There is an overlap in the meaning of fraud, corruption and misconduct. While they overlap in some respects, together they describe a range of improper conduct, which is addressed in this Policy. Other forms of misconduct shall be dealt with under SGH's Code of Conduct.

5. DISCLOSURES AND INVESTIGATIONS

All Disclosures under this Policy shall be disclosed, investigated, managed, monitored and reported as per the Fraud and Corruption Procedure.

The mechanism for Employees and Contractors to report any disclosures are outlined in this document.

If you are not comfortable, for any reason, with speaking directly to your manager, SGH has a Whistleblower Protection Policy which affords certain protections against reprisal, harassment or demotion for making the report.

6. ATTITUDE TO FRAUD AND CORRUPTION

Fraud and corruption is a business risk that must be actively managed. All Employees, Contractors and Business Partners are responsible for the detection and prevention of fraud and corruption within SGH.

At SGH, effective fraud and corruption detection is achieved through a combination of:

- adherence to the Delegation of Authority Policy and procedures;
- vigilance on the part of Employees, Contractors and Management and confidence in fraud and corruption reporting mechanisms
- use of internal audit resources for special reviews
- periodic management reviews.

Fraud, corruption and official misconduct are illegal, and in the event SGH Employees or Contractors are found to have taken part in bribery or any other related improper conduct, SGH and/or the Individual involved may be subject to penalties or imprisonment. Furthermore, it can damage the reputation of SGH and may impair its operational viability. Hence, such activities shall not be tolerated within SGH. SGH through its Board and Executive Management are committed to maintaining a work environment free of fraud and corruption.

Fraud, bribery and corruption may amount to a criminal offence that and may be referred to the Police. All incidents of fraud, bribery and corruption involving Employees or Contractors shall be regarded as serious and disciplinary action shall be taken depending on the severity of the breach which may include reprimands, formal warnings, demotions and/or termination of employment.

7. PROHIBITED CONDUCT

7.1. Bribery and Corruption

Corruption is dishonest or fraudulent conduct, typically involving bribery. Under the law, bribes and bribery have a very wide definition. A bribe is a personal inducement or reward offered, promised or provided in order to gain an advantage from the person's principal.

Acts of bribery and corruption are intended to influence an individual in the performance of their duties to act dishonestly and improperly. The person being bribed is usually someone who can obtain, retain or direct business, for example, during a tender or contracting process.

Bribery and corruption can take on many different forms but typically both parties to the bribe or corrupt practice shall benefit. Examples include:

- a direct or indirect promise or offer of something of value
- the offer or receipt of a kickback or facilitation payment or other gift, reward or advantage designed to exert improper influence or secure dishonest advantage.

While a bribe may involve a monetary payment or offer, it covers anything of value such as cash or cash equivalents (e.g. vouchers or loans), some gifts, hospitality, entertainment or travel, donations or scholarships, the provision of favours (e.g. discounted or 'free' SGH product or use of SGH services, facilities or property) or anything else that is of significant value to the recipient.

SGH does not pay, offer, promise or accept, directly or indirectly, any bribe, kickback, secret commission or other form of improper payment (however small) in order to obtain any improper business or other advantage for SGH, for an Employee, Contractor, Business Partner or for others.

7.2. Facilitation Payments and Kickbacks

Facilitation payments are typically nominal, unofficial payments made to secure or expedite the performance of a government official's routine duties or actions. Kickbacks are payments made in return for business favour or advantage.

SGH does not make or accept facilitation payments or kickbacks of any kind. If any SGH Employee or Contractor is requested to make a payment on SGH's behalf, that person must be fully aware of the purpose of the payment and whether the amount requested is commensurate with the goods and/or services being provided. SGH Employees and Contractors must always ask for a receipt detailing the amount of the payment and reason for the payment.

If a payment is extorted under duress or a threat to personal safety, then payment may be made provided that the payment (including the circumstances considered to constitute duress or threat to personal safety) is reported to the person's MD & CEO and the Chair of the ARC as soon as possible.

7.3. Gifts and Hospitality

SGH prohibits the giving and receiving of gifts in connection with its operations which go beyond common business courtesies. This is to ensure that the offer or acceptance of a gift does not create an obligation, or can be construed or used by others to allege favouritism, discrimination collusion or other unethical business practices by SGH. However, SGH does not prohibit bona fide and appropriate gifts or promotional or other legitimate business expenditures given and received to or from third parties.

Refer to Gifts, Gratuities and Entertainment Policy.

7.4. Due Diligence and Dealing with Third Parties

SGH, its Employees and Contractors could be held responsible for acts of bribery and corruption by third parties in instances where SGH, its Employees or Contractors know or reasonably should have known of such party's unlawful acts. Turning a "blind eye" or ignoring "red flags" that something may be wrong does not absolve SGH, its Employees or Contractors from criminal liability.

SGH, its Employees and Contractors must take reasonable precaution to ensure third parties comply with this Policy, including through the exercise of due care in selecting contractors and/or suppliers to ensure they are reputable, honest and qualified for their roles through due diligence investigations and the inclusion of appropriate contractual safeguards in terms of engagement with such parties. The purpose of conducting due diligence investigations is to mitigate identified bribery and corruption risks.

SGH, its Employees and Contractors should not conduct business with a third party who refuses to co-operate in due diligence, or where the due diligence raises concerns regarding this Policy, unless the prior consent of the General Counsel and Company Secretary is obtained to do so in writing.

If an Employee or Contractor has concerns that a third party's conduct may breach this policy, that person must contact their relevant General Manager immediately. As part of our procurement contracting, compliance with this Policy must be a term of our supplier, consultant and subcontractor contracts.

7.5. Donations and Sponsorships

SGH does not make contributions to government officials (including but not limited to political parties) or donations at the request of government officials. However, SGH does allow charitable donations that are legitimate, legal and ethical in accordance with ABC laws and SGH's charitable objectives.

SGH is committed to the communities in which it operates. To this end, SGH supports a number of nominated charitable organisations and sponsorships including:

- incorporated community groups, clubs and associations
- not-for-profit organisations
- non-government organisations
- other community-related commercial organisations and academic bodies.

In order to ensure donations are made for proper charitable purposes, Employees and Contractors must only make donations on SGH's behalf to charitable organisations which have been previously approved by SGH and have deductible gift recipient status.

Requests for sponsorships should follow the Delegation of Authority Policy. Charitable donations must not be made to Individuals.

7.6. Dealing with Government Officials

Payments to Government Officials, customs officers, agents and such like for the purpose of winning tenders or facilitation payments are considered corrupt practices and shall not be undertaken or condoned by SGH.

Any requests for these types of payments must be immediately raised to the Managing Director & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) and if required relevant Managers. Direction on how to proceed shall then be provided by the General Counsel.

Bribing a government official is a serious offence and as such a high degree of caution must be used when dealing with government officials.

SGH prohibits the offering, giving or accepting of gifts or anything of value to or from government officials. However, this policy does not curtail an Employee or Contractor's freedom to make political contributions in their own personal capacity.

SGH does not engage in party politics by attending political functions, unless there is a legitimate business reason for attendance. However, this policy does not curtail an Employee or Contractor's freedom to attend political functions in their own personal capacity where such participation does not involve SGH's funds, assets, resources, time or personnel.

Departments must not, without approval of the MD & CEO engage a government official as a consultant or appoint a government official (or a Government Official who has retired or resigned from office within the preceding 12 months) to a company position.

8. PROTECTION

Those who refuse to accept or offer a bribe or make a corrupt payment, or those who raise concerns or report another's wrongdoing are sometimes worried about possible repercussions. SGH aims to encourage openness and shall support anyone who raises genuine concerns reasonable founded under this Policy, even if they turn out to be mistaken. SGH has a Whistleblower Protection Policy which affords certain protections against reprisal, harassment or demotion for making the report. Whistleblowers' identities will also be kept confidential.

SGH Employees and Contractors shall not suffer any form of retaliation or detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting their suspicions.

9. SANCTIONS

SGH has zero tolerance for conduct in violation of this Policy. Failure to comply with this Policy may lead to disciplinary action, up to and including dismissal. Conduct in violation of this Policy may also breach applicable anti-corruption laws and result in criminal or civil penalties for SGH and its Employees, Directors and Officers, including fines and imprisonment.

All Employees, Contractors and Business Partners must not do any of the above in their 'personal capacity' in an attempt to evade the requirements of this Policy.

All Employees, Contractors and Business Partners must cooperate fully and openly with any investigation by SGH into alleged or suspected corrupt activity or breach of this Policy. Failure to cooperate or to provide truthful information is a breach of this Policy.

10. RECORD KEEPING AND REPORTING

The CFO and Finance team are responsible for ensuring an accurate and auditable record of all gifts and items of value given to or received from government officials, Employees or third parties are maintained in accordance with generally accepted accounting practices.

All accounts, invoices, memoranda and other data and documents relating to third party dealings must be prepared and maintained with strict accuracy and completeness.

All SGH Employees and Contractors must ensure that all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with SGH's expenses procedures (refer to Expense Management Policy).

All SGH Employees, Contractors and Business Partners must not falsify or mis-describe any book, record or account relating to SGH's business. All receipts and expenditures must be supported by documents that describe them accurately and properly. No accounts are to be kept "off the record" to facilitate or conceal any improper payments. Entries must never distort or disguise the true nature of any transaction.

11. RESPONSIBILITIES

All SGH Executive Management and Managers have a responsibility to assist in the prevention, detection, and reporting of fraud and corruption and suspected fraud and corruption.

All SGH Employees and Contractors have a responsibility to detect, prevent and report instances not only of fraud and corruption but also of any other suspicious activity or wrongdoing in connection with our business. Issues or suspicion of malpractice are encouraged to be raised at the earliest possible stage.

All SGH Employees and Contractors have the responsibility to act ethically and report any and all instances of fraud, bribery and corruption or suspected fraud and corruption at the earliest opportunity.

It is the responsibility of Executive Management and Managers to operate internal systems to ensure that high standards are applied and brought to the attention of their Employees and Contractors. Procedures are operated throughout SGH to ensure:

- an adequate separation of duties (e.g. more than one employee is involved in key tasks)
- proper authorisation procedures (e.g. transactions must be approved)
- independent monitoring and checking of data and documentation (e.g. checks and balances, reconciliations).

As part of a process for fraud, bribery and corruption incident response, Executive Management and Managers must review systems and procedures to ensure that similar frauds and corruptions do not recur.

SGH has audit processes which monitor compliance with regulations and undertakes a rolling program of checks to detect, deter and prevent fraud and corruption.

The Chief Financial Officer (CFO) is responsible for collating the information from Executive Management and preparing the bi-annual risk report.

11.1. Responsibility for Fraud & Corruption Risk Management

The CFO is responsible for fraud and corruption risk management.

All SGH Executives and Managers are responsible for operating internal systems that cultivate high standards of internal control that minimise the opportunity for fraud and corruption in their own areas. They are responsible for ensuring that these controls are brought to the attention of their Employees and Contractors.

Internal audit activities are conducted as per the annual internal audit plan. The results of these internal audits shall be reviewed for their implications for the management of fraud and corruption risk and this information provided to management so that appropriate action can be taken by them to control these risks.

11.2. Fraud and Corruption Risk Assessment

The CFO shall consider fraud and corruption risks are included within overall risk assessment processes for SGH.

Fraud and corruption risks shall be identified through SGH's risk management process, addressing inherent risk and the likelihood and consequences of identified risks.

A risk treatment plan addressing significant risks shall be developed by the appropriate business process owner and include at a minimum:

- a description of the risk
- the controls for minimising that risk
- criteria for assessing the effectiveness of those controls.

11.3. Fraud and Corruption Awareness & Training

SGH shall ensure all Employees and Contractors (including new Employees and Contractors) are informed about and understand this Policy.

Each Employee and Contractor shall receive a copy of this Policy and be provided with training by HR upon commencement at SGH. Key personnel shall receive regular communications and confirm they understand and shall comply with this Policy.

12. REPORTING

Monitoring and reporting of compliance to this Policy will occur through the processes outlined in the Related Documents section and the documents held within SGH's Document Management Framework.

A risk report will be prepared by the CFO and provided to the SGH Board bi-annually.

13. FURTHER INFORMATION

SGH has a number of related Policies and Procedures that should be read in conjunction with the Fraud and Corruption Policy and are outlined in section 15 of this document. All Employees and Contractors who require further information or need clarification of anything contained in this Policy should contact the Group CFO.

14. ACCOUNTABILITIES

Compliance to Policy	All Employees and Contractors
Implementation & Review	MD & CEO Group CFO
Approval of Policy	SGH Board
Monitoring	SGH Management, Internal Audit, External Audit
Interpretation and Advice	Group CFO

15. RELATED DOCUMENTS

This Policy should be read in conjunction with the following internal documents, procedures and forms.

Document Number	Title
	Code of Conduct Policy
	Whistleblower Protection Policy
	Delegation of Authority (DOA) Policy
	Expense Management Policy
	Risk Management Policy
	Counselling and Disciplinary Policy
	Fraud and Corruption Procedure
	Gifts, Gratuities and Entertainment Procedure

This Policy should be read in conjunction with the following legislative or compliance guidelines (if required):

Title	Description
Criminal Code	Criminal Code Amendment (Bribery of Foreign Officials) Act 1999 (Cth)
WBPA	(Enhancing Whistleblower Protections) Act 2019
FCPA	Foreign Corrupt Practices Act 1977 (US)
Bribery Act	Bribery Act 2010 (UK)

The following outlines the reporting requirements related to this Policy:

Reporting Requirement	Reporting Body	Frequency
Risk Report	Finance	Bi-annual

16. DEFINITIONS AND ABBREVIATIONS

The following definitions and abbreviations are used throughout this Policy:

Term	Definition
Anti-bribery and corruption (ABC) laws	<ul style="list-style-type: none"> (a) the <i>Criminal Code Amendment (Bribery of Foreign Officials) Act 1999</i> (Cth) (b) the <i>Foreign Corrupt Practices Act 1977</i> (US) (c) the <i>Bribery Act 2010</i> (UK) (d) any other anti-corruption laws of the Commonwealth of Australia or any State or Territory of Australia (including any applicable common law, law of equity, regulation, statute or other instrument made under statute or by any government agency) (e) any anti-corruption law of a country other than Australia which applies to us, our business partners or third parties operating on our behalf.
Business Partner	A business partner is a commercial entity with which SGH has some form of alliance, such as a law firm or accounting firm.
Bribery	<p>The personal offering, giving, receiving, or soliciting of any item of value to influence the actions of an official or other person in charge of a public or legal duty on behalf of the entity which they represent, and extends to commercial enterprises and their relevant authorities.</p> <p>Examples: tips, gifts, perks, skims, favours, discounts, waived fee/ticket, free food, free ad, free trips, free tickets, sweetheart deal, kickback/payback, funding, inflated sale of an object or property, lucrative contract, donation, campaign contribution, fundraiser, sponsorship/backing, higher paying job, stock options, secret commission, or promotion (rise of position/rank).</p>
Corruption	An action to (a) secretly provide (b) a good or a service to a third party (c) so that he or she can influence certain actions which (d) benefit the corrupt, a third party, or both (e) in which the corrupt agent has authority.

Term	Definition
Fraud	Fraud refers to: <ul style="list-style-type: none"> • an intentional act involving the use of deception to obtain an unjust or illegal advantage or with an intent to obtain financial or personal gain or advantage. • any dishonest activity with the intent to deceive, misrepresent or occasioning actual or potential financial loss to any person, corporation or other entity including theft (refer definition), embezzlement, appropriation, misappropriation, offering or receiving secret commissions.
Computer Fraud	Is where information technology equipment has been used to manipulate programs or data dishonestly (for example, by altering, substituting or destroying records, or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud. Theft or fraudulent use of computer time and resources is included in this definition.
Gifts	Anything of value given or received where the recipient does not pay market value.
Government Official	Anyone regardless of rank or title who is: <ol style="list-style-type: none"> (a) a political party, party official or candidate of political office (b) an employee, official or contractor of a foreign, national, state or local government body (c) an employee of a government agency (police) (d) a member of any legislative, administrative or judicial body (e) an officer or employee of a state-owned or part-owned corporation or nationalised organisation (e.g. hospitals, universities, schools) (f) an employee, official or contractor of a public international organisation (e.g. United Nations) (g) a person who is authorised, or behaves as if they are authorised, to act as an intermediary of a foreign public official.
Managers or Management	Any position directly reporting to the MD and CEO or CFO. Any position with 'manager' in the title.
Stealing	To take or attempt to take another person's property without permission or legal right and without intending to return it. Dishonestly pass off as one's own.
Theft	Action of crime of stealing.