

# FRAUD, BRIBERY & CORRUPTION POLICY

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**September 2018**

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## 1 PURPOSE

Mirvac is committed to preventing fraud, bribery and corruption and such conduct is expressly forbidden.

The purpose of the Fraud, Bribery and Corruption Policy (**Policy**) is to:

- ensure that Mirvac acts legally, ethically and in the public interest;
- enable staff to understand their obligations under this Policy; and
- ensure alignment with Mirvac's values.

This Policy applies to all Mirvac employees, directors (both executive and non-executive), contractors, labour hire employees, suppliers, apprentices and work experience students (collectively, "**Workplace Participants**" or "**you**") and applies in conjunction with the following:

- Code of Conduct
- Conflicts of Interest and Related Party Transactions Policy
- Mirvac's Anti-Money Laundering and Counter-Terrorism Financing Program
- Risk Management Policy & Framework
- Continuous Disclosure and External Communications Policy
- Delegations of Authority
- Open Line Policy
- Vendor Code of Conduct
- Group Procurement Policy

This Policy is to be reviewed at least every three years.

## 2 WHAT IS FRAUD, BRIBERY AND CORRUPTION?

**Fraud** is any dishonest activity which causes actual or potential financial loss to Mirvac, a customer or contractor of Mirvac or any other third party. This could include fraudulent accounting practices (e.g. issuing a fraudulent invoice), or the theft of moneys or other property by Workplace Participants or any person assisted by Workplace Participants or any circumstance where deception is used.

**Bribery** is offering, giving, authorising, requesting or receiving money, gifts, preference, privilege or anything of value (including a personal favour) that is intended to improperly influence the recipient. Bribery includes payments made to public officials, but also inappropriate payments made to any third parties.

**Corruption** is dishonest activity in which a Workplace Participant acts contrary to the interests of Mirvac and abuses his/her position of trust to achieve some personal gain or advantage for him/her or for another person or entity.

Examples of the types of conduct that constitute fraud, bribery and corruption which you must not engage in include:

- offering, giving, receiving, requesting or authorising any money, gifts, preference, privilege or anything of value (including a personal favour) that alters or is intended to alter the behaviour of the recipient;
- engaging in corrupt activity where you act contrary to the interests of Mirvac or abuse your position of trust in order to achieve some personal gain or advantage for yourself or for another person or entity;
- falsifying Mirvac's records or those of its employees, suppliers, customers or investors;

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### FRAUD, BRIBERY & CORRUPTION POLICY

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Policy Maintained by: Mirvac Legal and Compliance

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- falsely submitting expense claims and invoices;
- stealing or misappropriating Mirvac's or other people's properties; or
- aiding and abetting the above offences.

### 3 OBLIGATIONS TO PREVENT FRAUD, BRIBERY OR CORRUPTION

#### 3.1 Obligations as a Workplace Participant

As a Workplace Participant:

- You must act with honesty and integrity abiding by the Mirvac Code of Conduct;
- You must be alert to the potential for any fraudulent activity;
- If you see or suspect any fraudulent activity, bribery or corruption or the potential for any fraudulent activity, bribery or corruption you must, if you are an Employee, report it immediately to your Line Manager. If for some reason you cannot approach your Line Manager, you must report the matter to the Mirvac Open Line Investigation Officer (Mirvac's Head of Internal Audit) or the Mirvac Open Line (see Mirvac Open Line Policy for details). If you are a Workplace Participant other than an Employee you must report the matter to the Mirvac Open Line Investigation Officer or the Mirvac Open Line.

#### 3.2 Obligations as a Manager of Workplace Participants

As a manager of a Workplace Participant, this Policy requires you to:

- Ensure any reported allegation of fraud, bribery and corruption is reported immediately to the relevant Divisional or Business Unit Manager. If it is not possible to escalate the issue to your direct manager, then you must report the matter to the Mirvac Open Line Investigation Officer (Mirvac's Head of Internal Audit) or the Mirvac Open Line (see Mirvac Open Line Policy for details);
- Ensure strong internal controls are in place and operating effectively;
- Conduct appropriate background checks/references on all your new employees in accordance with the requirements of Human Resources;
- Ensure all employees for whom you are responsible complete all required fraud, bribery and corruption training.

#### 3.3 Obligations of each Mirvac Divisional and Business Unit Head

Each Divisional and Business Unit Head must:

- Give specific consideration to fraud, bribery and corruption risks as part of the risk assessment process when undertaking a technology, process, policy or product change;
- Refer any allegation of fraud, bribery and corruption behaviour to the Head of Internal Audit for investigation;
- Following any finding of fraud, bribery or corruption conduct to work with Internal Audit to determine what controls can be implemented to prevent a reoccurrence;
- Meet core fraud, bribery and corruption awareness training requirements as prescribed and facilitate any further training for all employees falling within your area of responsibility; and
- Foster an environment in which all Workplace Participants are encouraged to report any or all fraud, bribery and corruption incidences (or serious suspicions) without fear of reprisal.

### 3.4 Obligations of Internal Audit

In addition to the obligations on the Head of Internal Audit to investigate any reported allegations of fraud, bribery or corruption set out in section 4 of this Policy, Internal Audit must conduct audits in accordance with the International Professional Practices Framework (PPF) of the Institute of Internal Auditors as it relates to fraud, bribery and corruption risks.

In carrying out this responsibility, Internal Audit must consider the risk of fraud, bribery and corruption when developing its engagement objectives and evaluate how the organisation manages these risks.

Specifically, Internal Audit must assess whether:

- The organisational environment fosters control consciousness;
- Written policies exist that describe prohibited activities and the action required whenever violations are discovered;
- Appropriate authorisation policies for transactions are established and maintained;
- Policies, practices, procedures, reports and other mechanisms are developed to monitor activities and safeguard assets, particularly in high risk areas.

### 3.5 Obligations of External Audit

The Mirvac Audit, Risk & Compliance Committee must undertake an annual review with the external auditors to ensure the external audit procedures are aimed at detecting material misstatements in Mirvac's financial statements including due to fraud or error. If the external auditor detects any instances of fraud, bribery or corruption it must report it to the Audit, Risk & Compliance Committee.

## 4 INVESTIGATION OF FRAUD, BRIBERY AND CORRUPTION

If an allegation of fraud, bribery or corruption is reported to Internal Audit (either directly by a Workplace Participant or by an employee's Line Manager or Divisional or Business Unit Manager), Mirvac's Head of Internal Audit must conduct an investigation. The manner and scope of this investigation will be determined by Mirvac's Head of Internal Audit and/or the Mirvac Open Line Committee, which may include:

- An evaluation of how/why the incident occurred and who was involved;
- A post-transactional review;
- Identification of suspected fraudulent transfers;
- Analysis of relevant accounting systems.

Following this investigation, the Head of Internal Audit must make a determination of an appropriate response which could include dismissal of the allegation as unsubstantiated, referral to relevant law enforcement or regulatory officers and depending upon the findings, dismissal and/or legal action.

Workplace Participants must not conduct their own investigations into any allegations of fraud, bribery or corruption activities. All allegations must be reported in accordance with sections 3.1, 3.2, 3.3 or 3.4 of the Policy.

## 5 MANAGING FRAUD, BRIBERY AND CORRUPTION RISK

### 5.1 Ethical Environment

A key strategy in managing the fraud, bribery and corruption risk at Mirvac is the maintenance of an ethical environment. The ethical environment Mirvac strives for is set out in the Mirvac Code of Conduct. If an Employee's observable ethical conduct falls below acceptable levels, disciplinary action will be taken.

All Employees are required to confirm that they have complied with the Mirvac Code of Conduct behaviour on an annual basis. This is the minimum requirement under Australian Standard 8001-2008.

### 5.2 Internal Controls

Mirvac is committed to ensuring that an effective internal control environment prevails and that those risks that have a higher predisposition to fraud, bribery and corruption are reviewed and tested regularly by both management and internal audit.

### 5.3 Commitment from Senior Management

The Executive Leadership Team of Mirvac is committed to controlling and mitigating the risk of fraud, bribery and corruption, both by/against Mirvac and its Workplace Participants.

### 5.4 Stakeholder Screening

Mirvac will not work with/employ any supplier or person who Mirvac knows is operating or potentially may operate in a manner contrary to the letter and/or spirit of any intended law or regulation. Accordingly, Mirvac conducts due diligence on its suppliers to identify any fraud, bribery and corruption red flags. It also includes screening for other compliance risks (e.g. whether the stakeholder or their host State is subject to trade or financial sanctions or where screening is required under Mirvac's Anti-Money Laundering and Counter-Terrorism Financing Program).

If, as a result of such screening, a stakeholder is found to either be or potentially be operating in a manner contrary to the letter and/or spirit of any intended law or regulation, such arrangements will be reviewed by Senior Legal Counsel, Head of Internal Audit and Head of Risk who will determine (in conjunction with the Managing Director/CEO or Internal Audit, Group Risk and Group Compliance as needed) whether Mirvac will engage with the supplier/person.

The following controls are also applied to employees and suppliers:

- **Employee screening**

All Employees are required to provide references before starting at Mirvac. For jobs that are of a particular high risk, other checks (e.g. police checks) may be required.

- **Supplier screening**

For those suppliers in high risk jurisdictions and/or are government officials or entities that are partly/wholly government owned/controlled, additional due diligence may be required. The degree of additional due diligence will be determined by Group Compliance. Further, all suppliers registered offshore or who request payments to be made to an offshore bank account will be subject to

sanctions due diligence (to assess whether the supplier is, or is owned or controlled by, an individual or entity subject to sanctions laws).

In all supply contracts, the supplier is to provide representations that they will not engage in bribery, fraudulent conduct or corrupt conduct. Every supply contract must also include a right for Mirvac to terminate the contract in the event that the supplier is or has been investigated or charged in relation to fraud/bribery/corruption offences, or Mirvac reasonably suspects (at its sole discretion) that the supplier is or has engaged in fraud, bribery, or corruption.

- **Customer vetting**

Mirvac has many different components to its business and all business managers are compelled to give careful consideration to potential fraud, bribery and corruption risks. This includes ensuring that all Mirvac developments are sold by licensed agents who have to comply with legal standards regarding fraud, bribery and corruption.

## 5.5 Communication and Awareness

Group Compliance must ensure that Workplace Participants are made aware of their obligations under this Policy through regular communications including displaying Mirvac's Fraud, Bribery & Corruption Policy on the intranet and external website and conducting training at least annually.

## 5.6 Gifts

Workplace Participants are prohibited from receiving, soliciting or giving any form of gift, benefit or entertainment from or to any person doing business with Mirvac if the gift, benefit or entertainment could reasonably be regarded as influencing or be perceived to influence the recipient or creating business obligations on the part of the recipient.

- All gifts/entertainment over the value of \$200 (per head) received / given by a Workplace Participant are to be entered into Mirvac's Gift & Entertainment Register by sending an email to [mirvac.giftregister@mirvac.com](mailto:mirvac.giftregister@mirvac.com) which is monitored by Group Compliance. This requirement is not required for:
  - large Mirvac sponsored events where entertainment/gifts are provided to a broad cross section of clients/suppliers;
  - gifts exchanges between employees for personal and non-business related reasons, for example Christmas or birthday presents.
- No gifts/entertainment is to be given to/received by all or any participants during a tender process.
- Gifts involving bribes under the guise of charitable donations are prohibited.
- Gifts of travel, accommodation or store gift cards must not be accepted unless first approved by a member of the Executive Leadership Team (ELT), or for a member of the ELT by the Managing Director/CEO and for the Managing Director/CEO by the Chair of the Board.
- Where Group Compliance has concerns regarding the value or intent of a gift, Group Compliance may require the gift not to be accepted by the Workplace Participant until a member of ELT has approved the acceptance of the gift.

## 5.7 Facilitation Payments

Facilitation payments are minor payments made for the purpose of expediting or securing the performance of a routine government action (eg processing government papers such a visa, delivery of mail, providing communication services). Mirvac prohibits the payment of facilitation payments (in Australia and in any foreign jurisdiction) regardless of whether such payments are permitted in a given jurisdiction. Any request by a third party for such a payment is to be immediately referred to Mirvac's Group Compliance and Head of Risk.

## 6 APPROVED AND AUTHORISED

This updated policy was approved and adopted by the Board on 17 September 2018.