

# Fraud and corruption policy

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Comms Group Ltd  
(Company)

ABN 64 619 196 539

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## 1. Introduction

Comms Group Ltd (Company) is committed to conducting business ethically and honestly with high standards of corporate governance. The Company does not accept corrupt and fraudulent conduct associated with its business operations.

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.

Fraud and corruption may impact the Company's reputation and also may have penalties and criminal prosecution for individuals involved.

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

## 2. Purpose

The purpose of this policy is to protect the Company's assets and reputation by:

- reinforcing Board and senior management commitment and responsibility for identifying fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention and detection of these activities
- reinforcing the requirement for all employees and others to refrain from corrupt and fraudulent conduct and encourage the reporting of any instance of fraud or corrupt conduct
- providing a framework for conduct of investigations to ensure all suspected fraudulent and corrupt activity is dealt with appropriately
- assigning responsibility for the development of controls to prevent and detect fraud.

## 3. Scope

This policy applies to all employees (including directors, executives and managers) and contractors of the Company and its subsidiary companies.

Any irregularity or suspected irregularity, involving a shareholder, vendor, consultants or any other third-party agencies doing business with the Company or its employees or contractors, is included in the scope of this policy.

The policy does not have regard to the employees' or contractor's length of service, title or relationship to the company.

## 4. Definition of Bribery, Fraud and Corruption

Bribery is an act to improperly influence individuals to act dishonestly when exercising their duties in their designated position, representing an abuse of position of employment for personnel or improper gain for the Company.

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 bribes 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 director, executive, manager, employee or contractor of an entity acts contrary to the interests of the company and abuses his/her position of trust in order to achieve some 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 staff member acting in his or her own self-interest rather than the interests of the Company.

Fraud is defined as an intentional act by one or more individuals among management, those charged with governance, employees or third parties, involving the use of deception to obtain an unjust or illegal advantage.

A fraud can typically result in actual or potential financial loss to any person or entity however this is not always the case.

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

- misappropriation of funds, securities, stock, supplies or other assets including use of assets for private purposes
- causing a loss to the Company or creating a liability for the Company by deception
- impropriety in the handling or reporting of money or financial records
- profiting from insider knowledge of the Company activities
- accepting or seeking anything of value from contractors, vendors or persons providing services or goods to the Company
- 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.

## 5. Policy

The Company requires all employees at all times to act honestly and with integrity and to safeguard the company resources for which they are responsible. the Company is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits.

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

Any fraud or corruption committed against the Company 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.

## 6. Code of Conduct

The Code of Conduct assists in preventing fraud and corruption within the Company and it specifically requires employee to comply with this policy. Failure to comply with this Policy may result in disciplinary action, counselling or dismissal.

The Company 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.

In Australia, you and the Company 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 in Australia and other jurisdictions.

## 7. Fraud and Corruption Control

### Board and senior management responsibility

The Board and senior 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 the Company is exposed to
- maintain oversight of the fraud risk assessment and the controls in place to mitigate the risks identified
- monitor reports on fraud risks, policies and control activities which include obtaining assurance that the controls are effective.
- fostering an environment within their businesses 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
- 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.

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

Most importantly they 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 Management has the 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 the businesses to assess the adequacy and effectiveness of the Company 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
- advising and assisting relevant business units in the implementation and maintenance of best practice techniques and controls to prevent and detect fraud and corruption.

### ***Internal audit***

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

- assess the adequacy and effectiveness of the Company fraud and corruption risk management processes, in line with the Company 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.

Additionally, 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.

Senior Management is responsible for ensuring adequate procedures are in place that address:

- appropriate security screening and selection of employees
- 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)

### ***Insurance and Controls***

The chief executive officer or any executive director is responsible for making recommendations regarding the placement and maintenance of insurance cover for crime, fraud and fidelity risk for the Company. It is also the responsibility of the chief executive officer or any executive to implement robust processes and controls in relation to expenditure, investments and transfers of money. Any provisions, losses and write offs in relation to fraud must be made in accordance with the Company Group Accounting Policies and Procedures.

## 8. Investigation Protocols

If an investigation identifies that fraud or corruption has occurred, the risk team will escalate the matter in accordance with the section 8 below.

Decisions to prosecute or refer the examination results to the appropriate law enforcement or regulatory agency will be made in conjunction with legal counsel and senior management, and in the case of a significant matter, with the Board.

In the event of an investigation, members of the investigating team will have free and unrestricted access to all the Company records and premises. They will have the authority to examine, copy and remove any information within the scope of the investigation.

## 9. Reporting

Any employee or contractor who suspects fraud or corrupt activity has the ability to confidentially report the matter through one of the following options;

- notifying their immediate manager;
- directly notifying the chief executive officer, any executive director or any director including the Chairperson.

It is the responsibility of all employees to report all suspected, attempted or actual fraud or corruption incidents. All information received is treated confidentially.

Alternatively you may take action under the Company's Whistleblower Policy available in the Governance Section on the Company's website at <https://commsgroup.limited/corporate-governance>

The Company will take all steps under the law to protect the individual raising the concern.

The Company encourages all persons to report genuine possible concerns in good faith under this Policy. No employee will suffer demotion, or penalty for raising legal or ethical matters or possible breach of this Policy, even if it results in the Company suffering financially or by reputation.

Any concerns can be raised anonymously under the Whistleblower Policy

Investigations will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

The table below outlines the escalation requirements upon receiving a report of suspected fraud or corruption.

<b>Size and nature of report</b>	<b>Escalation</b>
Any report of suspected fraud or corruption received by management.	Any executive director or the chief executive officer.
Where the incident meets the definition of corruption (regardless of the financial impact)	Any executive director or the chief executive officer will escalate to the Board  The Board will discuss the matter, including any legal action or required disclosure in conjunction with the Audit Risk and Compliance Committee.
Where the incident is fraudulent in nature and the financial impact is greater than \$20k	The chief executive or executive director will prepare an immediate report for the Audit Risk and Compliance Committee or Board as appropriate.
Where the incident has a financial impact of less than \$20k and the matter can be immediately contained	The chief executive or executive director will ensure the event is reported in the monthly risk report to the Board.

## 10. Policy review

This policy will be reviewed at least annually by the chief executive or executive director. Any proposed changes to this policy must be approved by the Board of Directors.

This policy was approved and adopted by the Board on 27 October 2017

This policy was reviewed and updated in October 2020

This policy was reviewed and updated in August 2022