

Fraud and Corruption Control Framework

Policy commitment statement

Our vision is to be a world-class independent Australian law firm clients value for our people and our performance.

In keeping with this vision, we value honesty and commit to always being authentic, ethical and behaving with integrity in everything we do.

We do not tolerate acts of fraud or corruption. This is our expectation of all partners and staff and the agents, consultants and contractors with whom we work.

Scope

This framework aims to:

- raise awareness of fraud and corruption risk and its prevention
- provide assurance that suspected fraudulent or corrupt conduct will be investigated
- provide guidance on the reporting, investigation and management of suspected fraud or corruption, and
- provide a clear statement that fraud and corruption will not be tolerated.

This framework applies to all partners and staff and the agents, consultants and contractors with whom we work.

Definitions

Bribe

A 'Bribe' is the act of paying a secret commission to another individual or the secret commission itself.

Conflict of Interest

A 'Conflict of Interest' occurs when a member of the firm's personal interests (i.e. outside professional or personal relationships or personal financial or other interests) interfere with obligations owed to the firm and/or duties owed to a client. A conflict can be:

- actual, or
- perceived - where there is a reasonable and sensible possibility that a conflict may arise or a reasonable person, aware of the relevant facts, would think there as a real possibility that a conflict might arise.

Corruption

'Corruption' is dishonest activity contrary to the interests of the firm where the person involved abuses his/her position of trust in order to achieve a personal advantage or a benefit for another person or entity. Examples include:

- bribery
- blackmail
- paying or receiving a secret commission
- theft
- embezzlement
- forgery, and
- conspiracy.

Fraud

'Fraud' is dishonest activity causing actual or potential financial loss to any person or entity and includes:

- theft of money or other property by a partner or employee or persons external to the firm where deception is used either at the time of, immediately before or after the activity
- deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose, or
- the improper use of information or position for personal financial benefit or for the benefit of a client or supplier.

Theft of property belonging to the firm by a partner or employee internal to the firm but where deception is not used is also considered 'fraud'.

- Examples of fraud include:
 - making cheques out to false entities
 - making or using falsified documents
 - misapplying client funds
 - receiving 'secret commissions'
 - unauthorised use of firm funds, and
 - over-inflation of time on a matter.

Gift

A 'Gift' is defined by way of these examples:

- cash and cash equivalents (i.e. gift vouchers, movie ticket vouchers, event vouchers)
- wine
- Christmas hampers
- invitations to lunches, cocktail functions, sporting matches or other recreational events
- complimentary tickets for pay to attend business seminars and conferences
- promotional items (i.e. branded notepads, pens, calendars etc), and
- donations.

It is important to be aware that while the items listed above may not be intended as a 'gift', under particular client requirements they may be deemed as such. Always refer to each individual client's requirements when making such a determination.

Our People

'Our People' includes all partners, legal and services staff, secretarial and administrative personnel, agents, consultants and contractors employed by or contracted to Sparke Helmore Lawyers or Spamil Pty Ltd.

Reporter

A 'Reporter' is any one of Our People who choose to make a report.

Reportable Conduct

'Reportable Conduct' is conduct that, in the view of the Reporter, acting in good faith, constitutes:

- fraud
- corruption
- bribery, or
- conduct that is otherwise unethical and contrary to the intent of this framework.

Secret Commission

A 'Secret Commission' is a payment in money or in kind that will, or is intended to, cause a person to act in a way that is contrary to the interests of the firm, is contrary to the firm's policy on a given issue or is against the public interest. Secret Commissions will typically be paid without the knowledge or express or implicit agreement of the firm and include payments intended to influence the outcome of a specific action or event or actions/ events generally over time.

Our expectations

What we expect generally

We expect Our People to adhere to our core values and the intent and terms of this framework and all other applicable policies, rules and laws that govern the conduct of our business.

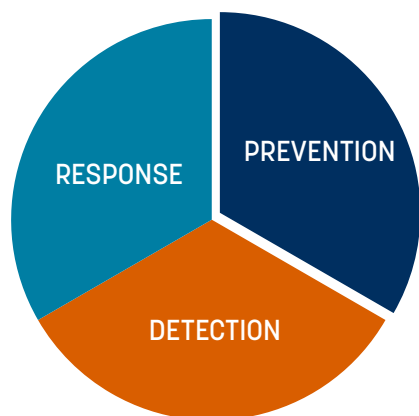
We expect Our People to:

- act fairly, ethically and honestly in all dealings
- follow published policies and procedures
- declare all Conflicts of Interest as soon as
- practicably possible, and
- assist in the prevention of unethical, fraudulent or corrupt behaviour.

Zero tolerance for fraud, bribery or corruption

We do not tolerate fraud, bribery or corruption in the conduct of our business. This includes the giving of gifts or offering of favours in an attempt to gain business, advantage or to influence decisions or outcomes.





Fraud and corruption prevention and management measures

Giving and receiving gifts, benefits & gratuities

Use sound judgment

Sound judgment must be applied in deciding whether to give or accept a gift, benefit or gratuity because it will either:

- be acceptable as a matter of business or as an act of custom or gratitude, or
- have the potential to compromise integrity and impartiality (by creating a sense of obligation or influence) and so constitute a 'bribe' as defined in this framework.

In exercising this judgment, apply the following guidance:

- Note the stated position of the organisation to which the intended recipient belongs. To do this, check Inter Action and/or the relevant client page on Basil. This is because some of our clients specifically prohibit the giving of gifts, benefits or gratuities in their contracts with us.
- Also check the timing of a gift, benefit or gratuity. For example:
 - Is the firm responding to a tender for services to be provided by the firm to the organisation to which the intended recipient belongs?
 - Is the organisation to which the giver belongs tendering for services to be provided to the firm?

Reporting requirements

To maintain transparency:

- all gifts sent and/or received by support services staff valued in excess of \$200 should be recorded on the designated Basil form, and
- any gifts sent and/or received by practitioners or legal support staff valued in excess of \$200 should be recorded as an activity on Inter Action.

Gifts & gratuities that do not have to be reported

Sound judgment must be used when deciding whether or not something is a gift that requires reporting. For example, a lunch or dinner meeting with a client in 'the ordinary course of business' may not be considered a gift. However, it is important to check the relevant client agreement as some of our clients regard any offer of hospitality as a gift that is strictly prohibited. In some cases gifts may be permitted when brought to the attention of the relevant client contact. If you are uncertain, contact the Risk and Compliance Manager for assistance.

Charitable giving and pro bono work

Charitable or community donations made by the firm can be made within the parameters of our Community Policy.

The firm can only provide work for free or below commercially negotiated rates when it is done according to our Pro Bono Policy. Any concerns should be addressed to the firm's Pro Bono Manager.

Preventing and managing Conflicts of Interest

A 'personal' Conflict of Interest has the potential to be perceived as a form of corrupt conduct or to manifest as corrupt conduct if it is not managed appropriately.

All actual or perceived Conflicts of Interest as defined by the firm's Conflicts Policy must be mitigated and managed in line with that policy.

All personal interests and dealings in securities as defined by the firm's Personal Interests and Dealings in Securities Policy must be managed in line with that policy.

Fraud and corruption risk awareness and training

An ongoing awareness and training program is important to help effectively manage fraud and corruption risk. The firm's Learning and Development Manager is responsible for this program. The program objectives are to:

- improve awareness of fraud and corruption risks
- help establish commitment to effective fraud and corruption control
- highlight our fraud and corruption internal control mechanisms

- help empower our people to take the necessary action to mitigate fraudulent or corrupt conduct by reporting it in line with the protocols outlined in this framework, and
- improve the effectiveness of fraud and corruption management within the firm.

Hiring new partners, staff, contractors and consultants

During the hiring process, the Human Resources Department must follow the Hiring and Training Agreement and ensure any new partners, staff, contractors or consultants are made aware of this framework and the importance of compliance with it.

Financial delegations

Through the process of financial delegation, the firm manages fraud risk by controlling expenditure and contractual commitments made on behalf of the firm. This enables the firm to conduct business in an effective, efficient, controlled and transparent manner. The Financial Delegations Policy and Financial Delegations Schedule are part of this framework and apply to all partners and staff.

Procurement of goods and services

When entering into an agreement with external suppliers to procure goods or services on behalf of the firm, the relevant procuring department must follow the Goods and Services – Ethical Business Practices and these guiding principles:

Procurement

Appropriate due diligence on firm suppliers or vendors must be carried out so that we are satisfied our potential business partner is free from any fraudulent and/or corrupt activities.

To ensure the firm receives value for money, consideration must be given to obtaining multiple quotes for all purchases of goods or services valued at or above \$10,000 to promote competitive tension.

Vendor engagement

During the procurement process (including vendor selection) no gifts or gratuities should be accepted from a supplier or vendor without express approval from the Head of Internal Legal & Risk.

As a guide any gift, benefit or gratuity from a vendor or supplier valued at or above \$200 should be noted on the firm’s gifts register and judgment should always be used before accepting it.

All material contracts for the purchase of goods or services by the firm should include the following clause:

1. Responsibilities and obligations of Supplier

1. 1. Fraud and Corruption Control

Without limiting the Supplier’s obligation to comply with all relevant Laws {Editor’s note: include this opening phrase where the contract requires compliance with all relevant laws}, the Supplier and the Supplier’s Personnel:

A. must not provide or offer to provide Sparke Helmore’s Personnel with any gift, favour, hospitality, travel or other gratuity which can be reasonably

perceived to be an inducement or attempt to secure additional business or advantage from Sparke Helmore or to otherwise influence or reward a decision or outcome by Sparke Helmore or its Personnel

B. must not be party to any fraudulent or grossly unethical conduct as reasonably determined by Sparke Helmore

C. must not solicit, encourage or knowingly enable any of Sparke Helmore’s Personnel to act in a manner which is fraudulent or grossly unethical as reasonably determined by Sparke Helmore, and

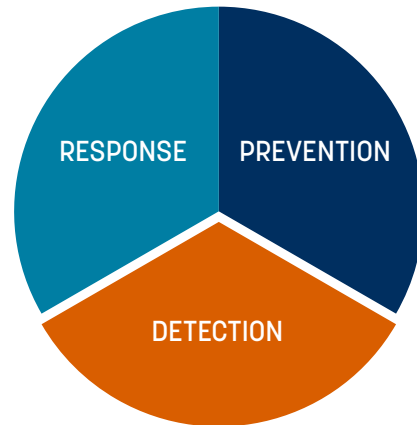
D. must promptly report to Sparke Helmore any instance of Sparke Helmore Personnel acting in a fraudulent or grossly unethical manner. The identity of any Supplier Personnel making a report under this paragraph will be kept confidential and anonymous reports may be made.

1.2. Definitions [Editor’s note: include this definition if “Personnel” is not already defined]

Personnel includes a party’s officers, employees, agents, contractors and Subcontractors (and, where relevant, each agent’s, contractor’s and Subcontractor’s personnel) relevant to this contract, but unless the context otherwise requires, does not include the other party.

Compliance with other firm policies, systems and processes

Our People must follow other firm policies, systems and processes designed to prevent and detect fraud and corruption.



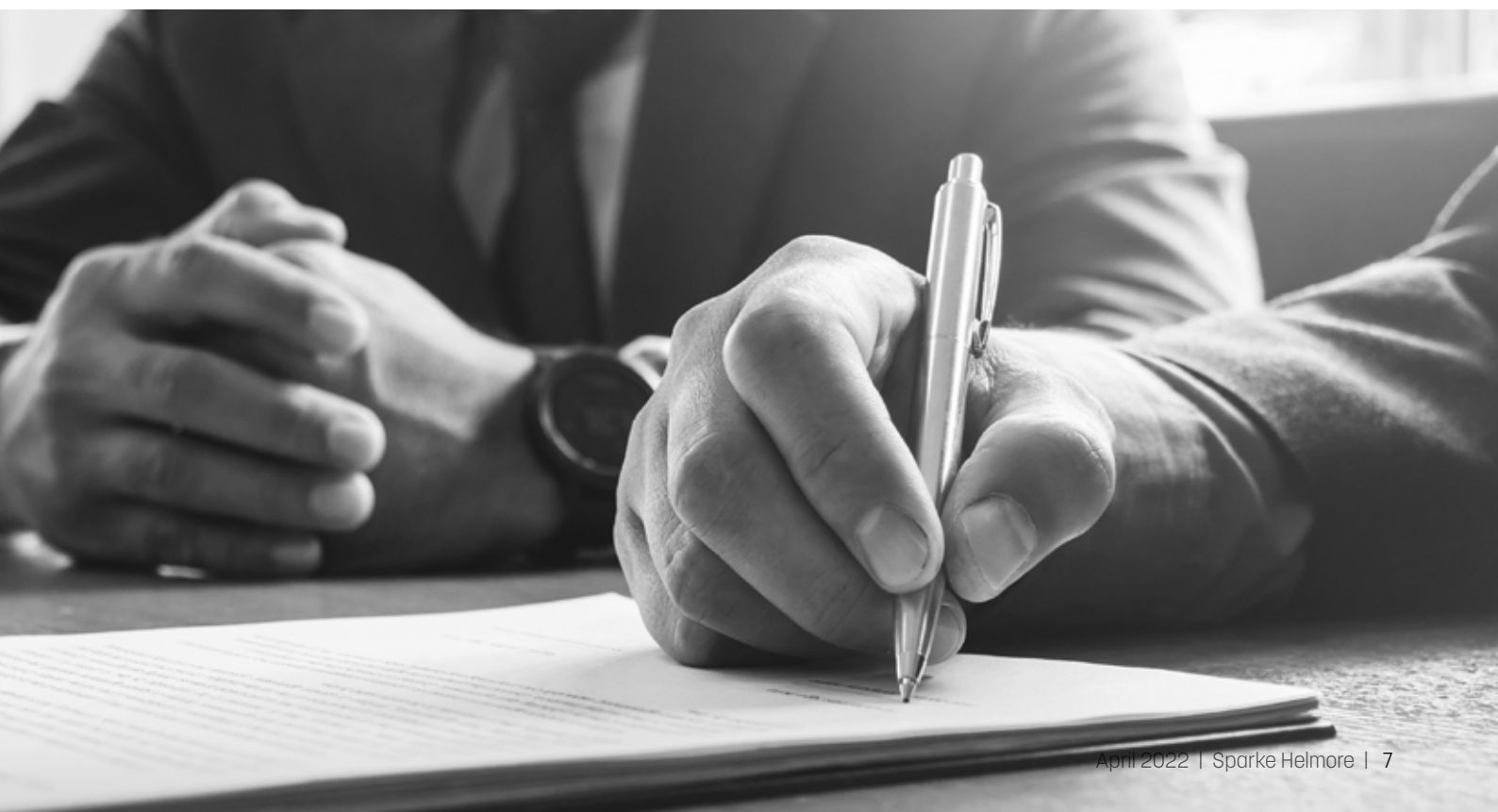
Reporting fraudulent or corrupt conduct

Our People are our best asset in preventing, detecting and deterring fraud and corruption. We encourage the good-faith reporting of this conduct as soon as practically possible and according to the protocols outlined in this section.

Who can report and what should be reported?

Anyone can report alleged fraudulent or corrupt conduct, but it must be Reportable Conduct as defined on page 4 of this document.

When it is not clear to the Reporter that the conduct alleged is Reportable Conduct, consider the overall intent of this framework and use sound judgment in deciding whether or not to report the alleged misconduct.



Frivolous or vexatious claims or reports for personal gain will not be tolerated.

Where reports of fraudulent and corrupt should be made?

All reports of fraudulent or corrupt conduct should be made:

- to the Head of Internal Legal & Risk (on a confidential basis), or
- by using the Anonymous Reporting Form on the Sparke Helmore website.

What happens when a report is made?

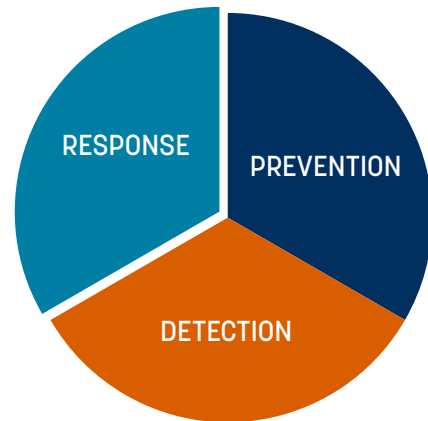
The firm will promptly investigate all reports. Investigations will usually require an initial discussion with the Reporter (where known) about the reported conduct. It may be requested that further detail on the allegations be documented along with any supporting evidence.

We will not tolerate any reprisal against a Reporter for making a report.

At no point should anyone undertake their own investigation.

Revision of existing controls and procedures

In each instance where suspected fraud or corruption is reported and/or confirmed, the adequacy of existing internal controls will be reassessed for possible improvement.



Investigation of Reportable Conduct

Key principles and considerations

All Reportable Conduct will be investigated:

- in a timely manner
- with procedural fairness and in observance of natural justice principles, and
- confidentially, subject only to the extent:
 - permitted by law, and
 - it is possible to effectively complete a preliminary enquiry and/or full investigation.

Notification

The National Managing Partner (NMP) or the Chief Operations Officer (COO) will be notified of all alleged fraudulent or corrupt conduct and will determine whether there is a proper basis for investigation.

The alleged perpetrator(s) involved in Reportable Conduct will be notified of any pending investigation and given information on:

- the type of Reportable Conduct alleged
- details of the investigator
- any necessary particulars
- how the alleged Reportable Conduct may breach this framework, and
- the date on which they will be interviewed about their conduct.

Investigation process

All investigations of Reportable Conduct will be 'appropriate and adapted' to the specific circumstances of each case.

To establish whether there is a proper basis for a full investigation and, if so, the scope of that investigation, the NMP or COO will commission a preliminary internal enquiry into the Reportable Conduct.

If the preliminary enquiry establishes a proper basis for a full investigation, the NMP or COO will commission an external independent investigator with relevant expertise to complete the investigation during which the alleged conduct will be assessed according to:

- what a reasonable person would have done in the given situation,
- this framework, and
- other relevant firm policies and procedures.

If during a preliminary enquiry or full investigation, criminal conduct is suspected, the matter will be

immediately referred to the relevant law enforcement agency and, if appropriate, reported to the relevant Law Society for investigation.

Result

Conduct found to breach this framework will result in:

- (for staff) appropriate disciplinary action, up to and including dismissal, and
- (for partners) appropriate action for breach of a partnership obligation under the Partnership Deed.

Summary of investigation process

Internal preliminary enquiry

- The firm will conduct an internal preliminary enquiry into Reportable Conduct. This may be by the original person to whom the issue was reported or another appropriate person.
- The enquiry will be completed in a just and fair manner.
- Subject to extenuating circumstances, a preliminary enquiry will be completed within five working days of the report being made.
- If the preliminary enquiry concludes that a prima facie case of fraudulent or corrupt conduct may be made out, an external investigator will be appointed to complete a full investigation.

External investigation

- An external independent investigator with relevant expertise will be appointed to complete all full investigations.
- The investigation will be completed in a just and fair manner.

Investigation activities

Investigative activities may include but not be limited to:

- interviewing relevant witnesses (internal and external), including obtaining statements where appropriate
- collating and reviewing documentary evidence
- forensic examination of computer systems
- examination of telephone records
- tracing of funds, assets and/or goods, and
- liaison with the police or other law enforcement and/or regulatory agencies.

Specific roles and responsibilities

All our people have critical roles and responsibilities in ensuring fraud and corruption is prevented, detected and dealt with promptly. However, the following groups and positions have specific responsibilities under this framework:

The partnership

Partners must act as role models by conducting themselves ethically and proactively taking steps to detect, report and minimise fraudulent or corrupt practices by:

- identifying any key exposure areas
- establishing controls and preventative procedures
- ensuring all staff have knowledge of, and are in compliance with, this framework and any associated policies, and
- reinforcing compliance by leading by example.

Partners also have specific reporting responsibilities under the Partnership Deed when any Reportable Conduct is brought to their attention.

The Board (and Board Audit & Risk Committee)

The Board has elected to ensure a deliberate focus on fraud and corruption control through inclusion of a specific reference in the Board Audit & Risk Committee Charter and therefore must actively seek to mitigate and/or manage this risk.

National Managing Partner/Chief Operations Officer

The NMP/COO are the management conduits through which the investigation of any allegations of fraudulent and/or corrupt conduct is initiated. More generally, these positions lead the overall management of fraud and corruption risk within the firm.

National Practice Group Leaders and Support Directors

National Practice Group Leaders and Support Directors act as leadership role models and take proactive steps to prevent, detect and minimize fraudulent and/or corrupt conduct by fostering a culture of awareness and compliance with this framework. These positions are ultimately responsible in their practice / support service area for:

- ensuring they are aware of the indicators of fraudulent and/or corrupt conduct and are able to respond appropriately
- identifying and mitigating potential fraud or corruption risks
- establishing and implementing team-specific measures to prevent fraud and corruption, and
- ensuring compliance with this framework.



Accountability

All partners, staff members, contractors and consultants are required to:

- undertake fraud & corruption risk awareness training
- report any alleged fraudulent or corrupt conduct in accordance with this framework, and
- comply with this framework.

Framework approval

The Audit & Risk Committee issues and approves this framework.

Breaches

Breaches of this framework may result in performance management action (see Result on page 9 of this document).

Guidelines

Other relevant policies

- Approval and Signing Policy
- Bill and Invoice Approval Policy
- Client Engagement Policy
- Conflicts Policy
- Community Policy
- Corporate Credit Card Policy
- Corporate Travel Policy
- Expense Claims Policy
- Financial Delegation Policy
- In-house Legal Work Performed on Behalf of Spamil or Sparke Helmore Policy
- Interstate Travel Policy
- Matter Coding Policy
- National Credit Policy
- Overtime Policy
- Personal Interest and Dealings in Securities Policy
- Pro Bono Policy
- Taxi Usage Policy
- Write Off and/or Reversal of Invoices Policy

Guidelines and procedures

- BDM Bid/No Bid protocol process
- Goods & Services-Ethical Business Practices
- Hiring and Training Agreement
- Statement of Business Ethics

Other documents

- Financial delegation schedule

Framework owner: Audit & Risk Committee

Contact: Head of Internal Legal & Risk

Created: 3 February 2015

Last amended: April 2022

Review: Risk & Compliance Manager annually

Last reviewed: N/A

