

Fraud and Corruption Policy

Regal Partners Limited ACN 129 188 450

1. Purpose of this policy

Regal Partners Limited ACN 129 188 450 (**Company**) and its controlled entities (**Group**) is committed to the highest level of integrity and ethical standards in all business practices. The Company recognises that the management of Fraud and Corruption is integral to good governance and management practice and critical to protect the Group, its assets and its reputation.

The Group operates a fraud and corruption control system (**Fraud and Corruption Control System**) which is an overall operational system relating to Fraud and Corruption of which this policy forms part. This policy is not an exhaustive list of all practices and procedures adopted by the Group in respect of Fraud and Corruption.

The purpose of this policy is to:

- (a) minimise the exposure of the Group to Fraud and Corruption, including dishonest acts, bribery, misuse of position and malicious behaviour and criminal acts committed by employees, officers, contractors, clients of, or engaged by, the Group (together **Relevant Parties**, and each a **Relevant Party**);
- (b) codify and promote practices and procedures which form part of the Group's Fraud and Corruption Control System which is aimed at preventing, detecting, and responding to Fraud and Corruption; and
- (c) provide a framework for the detection and reporting of, and response to, suspected or actual Fraud or Corruption.

2. Definitions

2.1 **Corruption** means dishonest activity carried out by a Relevant Party in abuse of his or her office, position of power or trust, which is contrary to the interests of the Group. This can also involve corrupt conduct by the Group or a person purporting to act on behalf of the interests of the Group, in order to secure some form of improper advantage for the Group, for him or herself, or for another person or entity either directly or indirectly. Examples of Corruption include, but are not limited to:

- (a) payment of secret commissions (bribes, facilitation payments or gratuities) in money, or some other value, to other businesses, individuals or public officials;
- (b) receipt of bribes or gratuities from other businesses, individuals or public officials;
- (c) release of confidential information, for other than a proper business purpose, sometimes in exchange for either a financial or non-financial advantage;
- (d) a Relevant Party manipulating a tendering process to achieve a desired outcome;
- (e) serious nepotism and cronyism where the appointee is inadequately qualified to perform the role to which he or she is appointed; or
- (f) a conflict of interest involving a Relevant Party acting in his or her own self-interest rather than in the interests of the Group.

2.2 **Fraud** means dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.. Examples of fraud include, but are not limited to:

- (a) misappropriation of funds, securities, stock, supplies or other assets including use of assets for private purposes;
- (b) cyber fraud;

- (c) causing a loss to the Group or creating a liability for the Group by deception;
- (d) impropriety in the handling or reporting of money or financial records;
- (e) profiting from insider knowledge of the Group's activities;
- (f) accepting or seeking anything of value from contractors, vendors or persons providing services or goods to the Group;
- (g) false invoicing for goods or services never rendered or backdating agreements;
- (h) submission of exaggerated or wholly fictitious accident, harassment or injury claims; and
- (i) misuse of sick or family leave.

3. Application of this policy

- 3.1 This policy applies to all Relevant Parties.
- 3.2 Any irregularity or suspected irregularity involving a shareholder, vendor, consultants or any other third party agencies doing business with the Group or its employees or contractors of which the Relevant Party is aware, is included in the scope of this policy.
- 3.3 The policy does not have regard to the Relevant Party's length of service, title or relationship to the Group.
- 3.4 This policy applies in addition to applicable laws and regulations. Relevant Parties should therefore also consider their legal and regulatory obligations, as well as the legal and regulatory obligations of the Group, in relation to Fraud and Corruption.
- 3.5 This policy should be read with reference to the Group's other policies, including without limitation the Company's Code of Conduct and Whistleblower Policy.

4. Responsibility framework

- 4.1 The prevention and detection of Fraud and Corruption is the responsibility of all employees and other Relevant Parties. All employees and other Relevant Parties must report any instances of suspected or actual Fraud or Corruption in accordance with Section 6 this policy.
- 4.2 The Board of Directors of the Company (**Board**) is ultimately responsible for the Group's monitoring, preventing, detection, and reporting of, and responding to, Fraud and Corruption. A Fraud and Corruption Control System has been established to assist the Board with these responsibilities and, as a part of that system, the Board has assigned the following responsibilities:
 - (a) each senior manager and Executive Director within the Group is responsible for:
 - (i) fostering an environment within their businesses that makes active Fraud and Corruption control a responsibility of all employees;
 - (ii) articulating clear standards and procedures to encourage the deterrence of Fraud and Corruption within their business; and
 - (iii) the detection and reporting of suspected or actual Fraud or Corruption to the Board;
 - (b) the Chief Executive Officer (**CEO**) of each entity within the Group is responsible for ensuring adequate rotation of employees and levels of staffing in place within their business and making any recommendations relating to the same to the Group CEO;
 - (c) the Chief Financial Officer (**CFO**) of each entity within the Group is responsible for:
 - (i) supporting the Group Chief Risk Officer, Group Chief Financial officer, the Group CEO and the Compliance Officer(s) of the Group in discharging their responsibilities relating to Fraud and Corruption;
 - (ii) ensuring adequate procedures are in place that address:
 - (A) appropriate security screening and selection of employees;
 - (B) disciplinary and dismissal procedures;

- (C) employment contracts that include relevant conditions of employment relating to fraudulent and corrupt conduct;
 - (D) monitoring of annual leave entitlements to ensure that employees do not accumulate excessive annual leave entitlements; and
 - (E) clarification and formalisation of responsibilities / segregation of duties (where possible, these should be included in relevant position descriptions);
- (d) The Group Chief Financial Officer is responsible for:
 - (i) making recommendations to the Board and the Group CEO regarding the placement and maintenance of insurance cover for crime, fraud and fidelity risk for the Group;
 - (ii) ensuring that the Group's finance team implements robust processes and controls in relation to expenditure, investments and transfers of money. Provisions, losses and write offs in relation to fraud must be made in accordance with the Group's group accounting policies and procedures; and
 - (iii) providing advice and requisite management assistance regarding any prospective investigation or litigation linked to a fraud or corruption event;
- (e) the Compliance Officer(s) within the Group are (with the support of external auditors) are responsible for:
 - (i) communicating and raising awareness of the risks relating to Fraud and Corruption with Relevant Parties, including communicating the contents of this policy and other relevant policies to the Relevant Parties within their businesses.
 - (ii) investigating internal and external Fraud and Corruption matters, including using external parties where required, and notifying law enforcement or regulatory agencies as necessary.
- (f) the Group's Chief Risk Officer has the primary responsibility for considering fraud and corruption risks within the overall risk assessment processes for the Group and developing and implementing a fraud and corruption control system. Fraud and corruption risks shall be identified through the Company'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:
 - (i) a description of the risk;
 - (ii) the controls for minimising that risk; and
 - (iii) criteria for assessing the effectiveness of those controls.

5. Prevention of Fraud and Corruption

- 5.1 The Board recognises that the Group's primary defence to Fraud and Corruption is preventing fraudulent or corrupt conduct before it occurs. The Group seeks to prevent Fraud and Corruption by implementing and continually monitoring its Fraud and Corruption Controls and the responsibility framework set out in this policy.
- 5.2 Each senior manager shall implement the following practices to prevent Fraud and Corruption:
 - (a) always conduct themselves in manner which promotes honesty, integrity, and adherence to the Code of Conduct and this policy;
 - (b) develop and mitigate controls to prevent Fraud and Corruption in their area of responsibility and in the wider Group;
 - (c) identify and report on emerging risks regarding Fraud and Corruption; and
 - (d) report any concerns regarding the Fraud and Corruption controls in accordance with this policy; and

- (e) adopt and implement appropriate recommendations arising out of internal or external audits of the Group's Fraud and Corruption practices.

6. Detection and reporting of Fraud and Corruption

- 6.1 The Company recognises that it is primarily reliant on employee and management awareness to detect Fraud and Corruption. As such, all Relevant Parties must report any suspected or actual Fraud or Corruption in accordance with this policy.
- 6.2 While the Group is primarily reliant on employee and management awareness to detect Fraud and Corruption, it may also employ other techniques to provide early detection of suspected or actual Fraud or Corruption, including:
 - (a) observation of unusual behaviours or patterns by Relevant Parties, including objective indications (long absences from work, poor timekeeping, refusal to take leave, over-riding of internal controls, unrealistic performance or abrupt / unexpected resignations, sign-ins at unusual times of the day, continuing to complete certain tasks remotely when away on leave, excessive instances of failed log-ins); and subjective indications (changes in wealth, either excessive spending or signs of financial hardship, reluctance to relinquish duties from a previous job function, evasive, ambiguous or misleading responses to questions, over-eagerness to assume another's duties, unusually inquisitive about payment, purchasing systems and processes, aggressive or abusive behaviour);
 - (b) observation of attempted breaches of the Group's systems or premises;
 - (c) identification and analysis of unusual patterns in financial transactions identified within the Group's systems; and
 - (d) identification of suspected Fraud or Corruption highlighted in internal or external audit reports.
- 6.3 **A Relevant Party (including any person assigned responsibilities under paragraph 4.2 above) who suspects or has witnessed Fraud or Corruption must report their suspicion and evidence in one of the following ways as soon as practicable after becoming aware of the conduct:**
 - (a) by notifying the Group General Counsel;
 - (b) by directly notifying the Chair of the Company (**Chair**).
- 6.4 All information received will be treated confidentially. Investigations will not be disclosed to, or discussed with, anyone other than those who have a legitimate need to know. Information disclosed may be disclosed to law enforcement agencies if criminal conduct is suspected.
- 6.5 The Group General Counsel and/or Chair will ultimately provide a report to the Chief Executive Officer or Board, as they deem appropriate.

7. Response to Fraud and Corruption

- 7.1 The following escalation and response procedure applies if a suspected case of Fraud or Corruption has been identified or reported:

Size and nature of report	Escalation
Any report of suspected Fraud or Corruption received by the Company (regardless of the financial impact)	The General Counsel or the Chair (as applicable) will discuss the matter, including any legal action or required disclosure, with the Chair of the Company, the Board and the Audit and Risk Committee of the Board.

- 7.2 Decisions to prosecute or refer the examination results to the appropriate law enforcement or regulatory agency will be made in conjunction with the Group CFO and other members of management, and in the case of a significant matter, with the Board.
- 7.3 The Board is responsible for implementing a response plan to actual or suspected Fraud or Corruption, including taking disciplinary and/or remedial measures.

- 7.4 In the event of an external independent investigation, members of the investigating team will have free and unrestricted access to all of the Company's records and premises. They will have the authority to examine and copy any information within the scope of the investigation.
- 7.5 All materials and evidence that may relate to an investigation into Fraud or Corruption must be maintained in an appropriate manner.
- 7.6 All suspected and actual incidents of Fraud or Corruption must be recorded in the Group Risk Register.

8. Awareness and training

Relevant Parties should be provided with access to this policy on initial commencement or engagement and should be able to access any updates to this policy. The Company will provide training for Relevant Parties regarding this policy and how to support the Group's Fraud and Corruption Control System.

9. Review and changes to this policy

- 9.1 The Board will review this policy every two (2) years or more frequently as it considers necessary.
- 9.2 The Board may approve updates and amendments to this policy from time to time by resolution.

10. Approved and adopted

This policy was last reviewed and approved by the Board on 15 May 2024.