



Fraud and Corruption Policy

1. Purpose

Stockland is committed to conducting our business ethically, with integrity and with consideration to our stakeholder expectations. Stockland does not tolerate or support corrupt or fraudulent activity of any kind. Fraud and corruption damage Stockland's reputation, can undermine political and social stability, security and human rights. It can also carry legal and criminal consequences both for Stockland and for individuals involved.

The purpose of this Policy is to set out Stockland's approach to fraud and corruption, and relevant employee guidance and obligations.

2. Scope

This Policy applies to Stockland Corporation Limited and its related companies and trusts (collectively "**Stockland**") and all Stockland employees (including but not limited to non-executive directors, permanent, casual and fixed term employees and temporary workers) ("**Employees**"). Compliance with this Policy is mandatory.

3. What is Fraud?

Fraud is dishonest activity causing actual or potential financial loss to any person or entity including theft, and where deception is used at the time, or immediately before or after the activity (defined by AS 8001-2008 – Fraud & Corruption Control). It includes destruction, concealment and falsification of documents and the improper use of information or position for personal financial gain. Fraud can be committed by an Employee or persons external to Stockland.

- Examples of fraud may include, but are not limited to:
- Diversion of cash (accounts payable and receivable schemes)
- Falsifying expense claims or false invoicing
- Dishonest or deliberately misleading financial performance reporting
- Theft of assets e.g. cash, equipment, supplies, secret commissions
- Unauthorised use of a credit card

If Employees have any doubts about whether an activity, decision or action constitutes fraud or is otherwise inappropriate, they should seek guidance from Group Compliance.

4. What is Corruption?

Corruption is a dishonest activity in which a person acts contrary to the interests of the entity they represent and abuses his or her position of trust for direct or indirect personal gain or advantage. Bribery may also be a form of corruption.

Bribery means dishonestly providing, or offering to provide, directly or indirectly, any benefit to a person with the intent of influencing the person in relation to their business, duty or affairs.

Bribery can take many forms including:

- giving cash, or lavish gifts, sponsorship, or travel and accommodation
- giving political donations which are intended to gain a specific business advantage
- paying disguised agents fees (secret commissions)
- making inflated tenders or false invoices

Facilitation payments, also referred to as “kickbacks” or “expedition fees”, are payments of a minor value made to domestic or foreign public or government officials, to expedite or secure the performance of a routine government action by a government agency. These payments can be made either directly or by third parties. In Australia, facilitation payments may in some cases serve as a defence to the offence of bribery of a foreign public official. Notwithstanding this, Stockland does not tolerate facilitation payments or gifts of any kind to public or government officials, no matter what level of government.

5. Prevention

The most effective means of preventing fraud and corruption is for management to foster and encourage a strong ethical culture at Stockland, and to implement policies, procedures, training, periodic audits, segregation of duties and other control mechanisms which minimise the likelihood of fraud and corruption occurring. For example:

- The Code of Conduct and Ethical Behaviour Policy which sets out the standards of behaviour and conduct
- A whistleblower process to promote reporting of suspected fraudulent incidents
- The Government Relations Policy prohibits political donations, facilitation payments or gifts of any kind to public or government officials
- The Securities Trading Policy and Restricted Securities Trading Policy prohibits the disclosure of inside information and requires approval before trading in Stockland securities
- The Conflicts of Interests Policy stipulates dollar thresholds and pre-approval required for gifts and hospitality exceeding reasonable value
- Various accounting and expense policies that govern expense claim, accounting treatments, and anti-money laundering
- The IT Policy details electronic monitoring and surveillance, importance of systems security, and responsible usage of systems equipment and resources
- Employee screening is conducted prior to commencement of employment

6. Employees' responsibility

Employees can play a critical role in preventing and detecting fraud and corruption and help minimise the likelihood of fraud occurring at Stockland. In particular, Employees should:

- **Understand** what fraud and corruption are by reading this policy and completing any further related training which might be offered by Stockland
- **Be aware** of their responsibilities, adhere to correct job procedures, Code of Conduct and other policies
- **Be transparent** in their stance against fraudulent, corrupt or unethical conduct or practice and be familiar with the Code of Conduct
- **Never:**
 - offer, request, or receive bribes of any kind to or from any person
 - help, encourage, conspire with, or ask another person to offer a bribe
 - make, arrange, or direct the making of a facilitation payment
- **Always act in the best interests of Stockland** and not abuse their position for personal gain
- **Be continuously vigilant** to the potential for fraud and corruption
- **Report suspicious behaviour** and fraud vulnerabilities to their Line Manager, Group Compliance, or in accordance with the Whistleblowing Policy
- **Co-operate** with assessment and management of fraud incidents

If an Employee is in doubt of his or her responsibilities, whether fraud, bribery or corruption has occurred, or he/she received pressure to provide a bribe or act dishonestly, he/she should always contact Group Compliance for guidance.

7. Detecting Fraud and Corruption

Employees should be alert to behaviour which may indicate fraud or corruption is taking place. Such behaviour could take any form, and may include:

- An Employee's resistance to take annual leave
- An Employee's living beyond his or her means
- Significant change in the behaviour of an Employee

If fraudulent or corrupt behaviour or attempted fraud is suspected, Employees should consider the following:

- Did the action or event result in a monetary benefit or other advantage being received by a person or related party who was not entitled to it?
- Was the action unlawful or illegal?
- Was deception or other concealment activities used?

Employees are strongly encouraged to report the situation if the answer is yes to any of the above questions.

8. Reporting Fraud and Corruption (Escalation Procedures)

Stockland is committed to providing an environment in which all Employees feel comfortable reporting incidents of fraud and corruption. Stockland is also committed to supporting people who report fraud and/or corruption or suspicions of fraud and/or corruption in good faith, regardless of whether any wrongdoing was identified. If an Employee is aware of or suspect suspicious activities, they should escalate the issue via one of the following channels as soon as possible:

- **To their line Manager:** Report to the relevant line Manager and he/she should raise it with Group Compliance for assessment (see 9) and response (see 10)
- **To Group Compliance:** If an Employee does not feel comfortable making a report to their Line Manager (for example where the Line Manager is involved in the fraudulent activity), they can raise the matter directly with Group Compliance at compliance@stockland.com.au
- **If an Employee is not comfortable with reporting through Line Management or Group Compliance, they are encouraged to report the incident in accordance with the Whistleblowing Policy:** See the Whistleblowing Policy for further details

9. Fraud and Corruption Assessment

Group Compliance and the General Counsel will assess the situation, recommend a course of action and develop a management plan in consultation confidentially with Human Resources, and the line Manager (subject to 6b). Employees should provide all relevant information to assist with the assessment where possible.

The General Counsel will record all reports of suspected fraud or corruption, including evidence available to support the allegation. The General Counsel will also notify the Executive Committee and the Audit Committee of the existence of such reports.

Fraud or corruption incidents that are reported in accordance with via the Whistleblowing Policy will be managed in accordance with the terms of that Policy.

10. Responding to Fraud and Corruption

As far as is possible and subject to legal and regulatory obligations, Stockland will endeavour to maintain the confidentiality of Employees in order to protect those people from reprisals or victimisation. There may be circumstances where the law enforcement agencies or regulators will be notified of the fraudulent conduct.

Where permitted by law, Stockland will seek the recovery of money or property stolen or fraudulently misappropriated, through:

- Relevant provisions of the proceeds of crime legislation in the jurisdiction in which the offence was committed
- Civil remedies in the relevant jurisdiction in which the fraudulent activity was undertaken

11. Breach

Failure to comply with this Policy may result in substantial fines and penalties being imposed upon Stockland, and may expose Stockland and/or its Employees to civil or criminal liability or other financial or reputational damage. It may put our Australian Financial Services (AFS) licences and other business Licences at risk. Employees who breach this Policy may face disciplinary action up to and including dismissal.

12. Review

This policy is reviewed annually and when business changes occur, whichever is sooner.

13. Supporting External Policies

[Whistleblowing Policy](#)

[Code of Conduct and Ethical Behaviour Policy](#)

[Securities Trading Policy](#)

[Government Relations Policy](#)

14. Contact for Questions

Please contact Group Compliance at compliance@stockland.com.au for questions on this document.

This version of the policy was reviewed and approved by the Board on **26 May 2015**