

Anti-bribery and Corruption

1. Purpose

- 1.1 Nick Scali Limited and its subsidiaries (**'Nick Scali'** or the **'Group'**) is committed to ethical behaviour in all business dealings and has no tolerance for any form of bribery or corruption. Any form of conduct that constitutes bribery or corruption as set out in this policy are deemed serious misconduct and, in most cases will be determined as either criminal or civil offences for the parties involved. Any unethical conduct that has the effect of causing damage to the Group will be treated seriously including termination of employment and if required to be handed over to the relevant authorities.
- 1.2 This policy details the conduct that is considered bribery or corruption and which is prohibited by the Group and will be publicly available on the Nick Scali website.
- 1.3 The policy also provides a summary of the other policies of the Group that are in place to protect against bribery and corruption and details how to report suspicious activities or actual instances of bribery and corruption.

2. Policy Scope

- 2.1 This policy applies to Group directors, employees, contractors and consultants (**'Employees'**) working for the Nick Scali Group.
- 2.2 Suppliers and businesses or third-party providers who deliver services to the Group are also covered by this policy.
- 2.3 This policy applies to any activity undertaken in connection with the Group and in the case of suppliers, the geographical locations in which they operate.
- 2.4 The Nick Scali Group will comply with the relevant legislation that applies in the countries in which it, or its suppliers, operate.

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3. Responsibilities

3.1 Nick Scali Group

The Nick Scali Group will act in an ethical and responsible manner at all times to protect the Group and those with whom it does business from the effects of unlawful bribery and corrupt conduct by implementing (including periodic training) and monitoring work practices and policies to prevent such conduct.

3.2 Employees

Employees are expected at all times (whether during normal working hours and activities or at work-related events within or outside normal working hours) to act honestly and with integrity and comply with this policy.

Any breach of this policy by an Employee (including contractors) will result in both disciplinary action (which may include the termination of employment) and potentially to criminal proceedings (which could result in significant fines or imprisonment).

3.3 Contractors & Suppliers

The Group expects any supplier or contractor with whom the Group does business to adhere to the standards detailed in policy.

4. Prohibited Conduct

4.1 All Employees (including contractors), suppliers and service providers are prohibited from engaging in any form of unlawful or unethical conduct, whether directly or indirectly via a third party to ensure the company does not suffer reputational damage or financial loss. **'Prohibited Conduct'** is defined as:

- a) **Bribery** – is the offer, promise, delivery or acceptance of an unjustified benefit or something of value, with the intention of improperly influencing a person (or entity) in the performance of their duties to obtain or retain business or personal advantage that is not legitimately due. Examples of bribery include, but are not limited to:
- payments or cash equivalents (e.g. a gift voucher)
 - political or charitable donations
 - gifts of excessive or disproportionate value
 - corporate hospitality of excessive or disproportionate value
 - loans
 - reciprocal favours
 - business or employment opportunities
 - secret or undisclosed commissions or referral benefits (e.g. Employee receives a commission for a successful customer referral)

Irrespective of whether a bribe is accepted or ultimately paid, the offering of a bribe is a contravention of this policy and is considered Prohibited Conduct. No Employee is to make offers of, or receive, bribes or other improper payments.

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- b) **Corruption** – is the abuse of entrusted power for private gain. Examples of corruption include, but are not limited to:
- dishonestly using influence;
 - misusing information or material obtained from work; and
 - conspiring or attempting to engage in corrupt behaviour (including fraud and bribery).
- c) **Fraud** – is dishonestly obtaining a benefit, or causing a loss, by deception or other means. Examples of fraud include, but are not limited to:
- theft;
 - falsifying documents;
 - intentionally misrepresenting financial results or performance; and
 - money laundering.

4.2 Employees (including contractors) and suppliers or service providers who engage in any form of Prohibited Conduct will face serious consequences including termination of contract and may be exposed to legal action or substantial fines and imprisonment.

5. Record Keeping

- 5.1 The Group will maintain a system of internal accounting controls and make and keep financial records or documents, in hard copy and or digitally, which accurately details (as is reasonably practicable) the parties, the payment arrangements and the purpose of all transactions and nature of assets.
- 5.2 The Group prohibits the falsification or misrepresentation of any financial records or documents.
- 5.3 No undisclosed or unrecorded fund or account may be established for any reason.

6. Reporting Bribery, Corruption and Fraud

- 6.1 Employees have an obligation to comply with this policy and to report actual or potential instances of bribery, corruption or fraud to the HR Manager or the Chief Financial Officer. Where an Employee is uncertain whether a specific incident or conduct constitutes a breach of this policy, or if they have any questions about this policy, they should contact the HR Manager or Chief Financial Officer.
- 6.2 Reporting can be made either directly by contacting the person in the roles listed in 6.1 above via email or phone. Anonymous reports can be made under the Nick Scali Whistleblower Policy via email to: whistle@nickscali.com.au. Full details of the **Whistle Blower Policy** can be found on either the Nick Scali website or intranet.
- 6.3 All matters reported will be treated confidentially as far as practically reasonable (or as required by relevant legislation or business policies) and in a timely manner. The person handling the reported instance of bribery, corruption or fraud will take reasonable care to ensure that any employee is not disadvantaged for making the report.
- 6.4 The Nick Scali Board will be notified of any serious breaches of this policy and where appropriate, breaches will be reported to the relevant authority.

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7. Investigation & Consequences

- 7.1 All actual or suspected breaches of this policy will be fully investigated. The investigation will be coordinated by the HR Manager in conjunction with direction from the Chief Financial Officer where necessary. The nature and extent of the investigation process will be dependent on the breach and in instances where corruption, bribery or fraud is confirmed, the matter may be managed by a qualified third party or handed over to the relevant authority.
- 7.2 Where it is established that a breach has occurred, disciplinary action will be taken and in serious instances it may lead to the termination of employment and or legal action. A breach may also expose the offender(s) to criminal or civil liability which could also result in imprisonment or a substantial financial penalty.

8. Policy Efficacy

- 8.1 The Chief Financial Officer is responsible for periodic reports to the Board on the operation and effectiveness of this policy in conjunction with any matters from the Company Audit and Risk Committee relevant to this policy.
- 8.2 The HR Manager and Chief Financial Officer will review this policy on an on-going basis, but at least annually, with a comprehensive review and re-issue of the policy to be completed by the date detailed in the footer of the policy, currently June 2023.
- 8.3 The HR Manager and Chief Financial Officer will conduct an annual review of any reported policy breaches to ensure they are appropriately recorded, investigated and managed. The purpose of this review will be to ensure the policy operates effectively and to make recommendations to the Board for change where deficiencies are identified.

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