

## **RADIUS RESIDENTIAL CARE LIMITED FRAUD POLICY**

### **1. PURPOSE**

Radius Residential Care Limited (“**Radius**”) does not tolerate fraud and will take reasonable steps to prevent and detect such activities, as described in this fraud policy (“**Policy**”).

The purpose of of this Policy is to:

- a. Identify the risk of any potential for fraud;
- b. Facilitate the prevention of fraud;
- c. Set out Radius’ attitude to fraud;
- d. Outline the obligations for reporting any suspected fraud; and
- e. Establish protocols around the maintenance of reports, records, and communication in the event of fraud.

### **2. WHO IS THIS POLICY APPLICABLE TO?**

This Policy is applicable to the Board, all employees, consultants, and contractors of Radius and its subsidiaries (“**Employees**”), in connection with any allegation or instance of fraud.

### **3. SCOPE**

Fraud is any dishonest act or omission, deception, or false representation by means of a statement or conduct that causes loss to Radius or results in any unauthorised benefit or advantage gained, whether to the person responsible for the act or omission or to a third person. Fraud includes but is not limited to the following examples:

- a. Misappropriation of what rightfully belongs to Radius;
- b. Forgery or alteration of documentation, computer files, or data, including the intentional misrepresentation of financial or personal information, and this includes intentionally failing to update records or documentation to maintain their accuracy;
- c. Theft of cash or property (including intellectual property);
- d. Diversion of payments, including forgery or alteration of any cheque, bank draft, or any other financial instrument;
- e. Attempting to procure payment by sending false invoices for payment;
- f. Accepting or seeking for personal gain anything of value from contractors, vendors, or other suppliers providing material or services to Radius, except as permitted under any other Radius policy;
- g. Use of Radius’ assets, property (including intellectual property), equipment, materials, or records for personal advantage or gain;
- h. Submitting personal expense claims for reimbursement of expenses not incurred for the benefit of Radius;
- i. Falsification of time records or authorising or receiving payment for time not worked;
- j. Provision of Radius’ confidential information to a third party;
- k. Failure to disclose conflicts of interest;
- l. Accessing customer accounts inappropriately;
- m. Use of a corporate credit card or fuel card for personal expenses;
- n. Identity theft, accessing a computer for dishonest purposes or any other security breach;
- o. Altering, or making misrepresentation or omissions in Radius’ financial statements or accounting records, or in relation to any other financial transaction;

- p. Collaborating with a third party to commit an act of fraud; or
- q. Bribery or coercion.

#### **4. RADIUS' EXPECTATIONS OF ITS EMPLOYEES**

##### **4.1 Radius' Attitude to Fraud:**

- a. Radius values the integrity of its Employees and relies on Employees to act at all times in an ethical and honest manner.
- b. Fraudulent behaviour or the concealment of fraudulent behaviour is not acceptable at Radius.
- c. All allegations of fraud will be investigated and unless explicitly agreed otherwise by the Board must be reported to the New Zealand Police and/or other appropriate agencies.
- d. All Employees are expected to be vigilant in the identification of fraud and have a responsibility to Radius to help in the prevention and detection of fraud.

##### **4.2 Where an Employee Suspects Fraud:**

- a. Any Employee who is aware of or suspects fraudulent behaviour must promptly report such behaviour.
- b. Any suspicion or allegation of fraud must be reported to the Chief Executive Officer ("CEO") unless the suspicion or allegation of fraud relates to the CEO, in which case it should be reported to the Chair of the Board.
- c. Managers advised of any allegation of fraud must treat the allegation seriously and inform the CEO, unless the allegation of fraud relates to the CEO, in which case it should be reported to the Chair of the Board.
- d. An Employee who, in good faith, reports an allegation of fraud will not be threatened, intimidated, or dismissed by Radius for doing so.
- e. Fraud is a 'serious wrongdoing' within the meaning of the Protected Disclosures (Protection of Whistleblowers) Act 2022. Any Employee reporting a suspected fraud and wanting their disclosure to be protected under the Protected Disclosures (Protection of Whistleblowers) Act 2022, must, in accordance with that Act, invoke the protection provisions granted to a person making a disclosure of a serious wrongdoing.

##### **4.3 Investigating Allegations of Fraud:**

- a. Subject to the requirements of an investigation, Management will treat all allegations of fraud seriously and in confidence.
- b. The CEO is responsible for initiating an investigation into the alleged fraud unless the allegation of fraud relates to the CEO, in which case the investigation should be initiated by the Chair.
- c. Depending on the nature and seriousness of the alleged fraud, an investigation may require consultation or engagement with other persons, such as technical experts or forensic accountants, Radius' auditors, and external agencies (such as the New Zealand Police or Serious Fraud Office).
- d. Radius regards all correspondence and records of correspondence such as, but not limited to, emails, letters, phone calls, and text messages or other social media made during the normal course of business as an Employee of Radius or using Radius property, as belonging to Radius.
- e. Any data, record, or property belonging to Radius may be examined as part of any fraud investigation process, including the authority to examine, copy and remove

records, and data, without prior knowledge or consent of any Employee who may have custody of such items.

- f. An allegation of fraud may give rise to serious employment or criminal legal issues, and accordingly, every care should be taken to ensure evidence is obtained, investigation records maintained, and that internal and external communications are conducted in a manner that does not compromise the proper resolution of the investigation.
- g. The CEO will maintain a register and record of all reports of alleged fraud and the process and outcome of each fraud investigation.

#### 4.4 Disciplinary Action Following Fraud and Recovery of Loss

- a. Any Employee who commits fraud against Radius will be subject to disciplinary action, which may include termination of employment.
- b. Radius must, unless explicitly agreed by the Board, report any Employee who is suspected of committing fraud to the New Zealand Police or any other relevant authority.
- c. Radius will seek repayment of losses incurred as a result of fraud wherever possible and practicable.

#### 4.5 Responsibility for Identification and Prevention of Fraud

- a. The primary means to prevent or minimise the risk of fraud is by the implementation and continued operation of systems of internal control, supported by written policies, standards, and procedures. These controls include, but are not limited to, segregation of duties, appropriate delegations and authorisation levels, active risk management assessment, and monitoring through internal audit, financial planning, budgeting, reporting, and monitoring.
- b. All Employees have a responsibility to adhere to Radius' systems of internal control.
- c. Managers must ensure all Employees are aware of the existence and reasons for such controls and the expectation that they will be complied with.
- d. Managers must familiarise themselves with the types of improprieties that might occur in their areas of responsibility and be alert for any indication of irregularity.
- e. Following the completion of any investigation into a suspected fraud, where any lesson, improvements, or additional controls are identified, that could warn against or prevent or minimise future fraudulent behaviour, Managers, in consultation with the CEO, will take steps to adopt and communicate any recommendations as appropriate.

#### 4.6 Governance Reporting

The CEO is responsible for reporting all instances of fraud and suspected fraud to the Audit and Risk Committee, Board, insurers, and external auditors as it occurs.

#### 4.7 Communications in Connection with Fraud

All internal and external communication arising in connection with any allegation or instance of fraud will be managed by the CEO, subject to any specific communication protocols established for any particular allegation or instance of fraud.

#### 4.8 Expectations to This Policy

Departures from the reporting lines set out in this Policy will be made only in the event the person to whom a report or disclosure is to be made is the subject of the allegation. In such an event, any allegation should be reported to the CEO, Chair, or other Directors as appropriate.

**5. REVIEW**

This Policy was reviewed by the Board in December 2022 and is to be reviewed by the Board every 24 months.