



HOTEL PROPERTY INVESTMENTS LIMITED [ACN: 010 330 515]

CORRUPTION AND FRAUD PREVENTION & DETECTION POLICY

ACN: 010 330 515

VERSION 3

May 2019

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1	April 2017
2	May 2018
3	May 2019

1.0: POLICY

Hotel Property Investments (the **Company**) is committed to the promoting and maintaining the highest level of integrity and ethical standards in all its business practices. The company expects all its employees, temporary staff, contractors and service providers to act in accordance with the Fundamental Principles espoused in the Companies Code of Conduct. The Company will adopt a zero level of tolerance of corrupt or fraudulent behaviour and commits to thoroughly investigate all suspected incidents of corruption and fraud and take appropriate disciplinary action. This may include:

- termination of employment or service contracts with the company; and
- where there is sufficient evidence of criminal activities occurring, the Company will support the prosecution of the relevant parties, either in the criminal or the civil courts, in accordance with local legislation.

2.0: APPLICATION AND SCOPE

Applies to all employees, temporary staff, contractors, service providers and directors of the Company.

3.0: DEFINITION

Corruption is defined as a dishonest activity in which a person acts contrary to the interests of the company and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

Examples of corrupt conduct include, but are not limited to:

- payment of secret commissions (bribes or gratuities) in money, or some other value, to other businesses, individuals or public officials;
- receipt of bribes or gratuities from other businesses, individuals or public officials;
- release of confidential information, for other than a proper business purpose, sometimes in exchange for either a financial or non-financial advantage;
- a staff member manipulating a tendering process to achieve a desired outcome; or
- a conflict of interest involving a staff member acting in his or her own self-interest rather than the interests of the Company.

Fraud is defined as an intentional act by one or more individuals among management, those charged with governance, employees or third parties, involving the use of deception to obtain an unjust or illegal advantage. A fraud can typically result in actual or potential financial loss to any person or entity however this is not always the case.

Examples of fraud could include, but are not limited to:

- misappropriation of funds, securities, stock, supplies or other assets including use of assets for private purposes;
- causing a loss to the Company or creating a liability for the Company by deception;
- impropriety in the handling or reporting of money or financial records;

- profiting from insider knowledge of the Company's activities;
- accepting or seeking anything of value from contractors, vendors or persons providing services or goods to the Company;
- false invoicing for goods or services never rendered or backdating agreements;
- submission of exaggerated or wholly fictitious accident, harassment or injury claims; or
- misuse of sick or family leave.

4.0: PREVENTION & DETECTION

The first line of defence against corruption and fraud within the company is ensuring the organisation maintains a robust internal control environment. Wherever possible and cost-effective to do so management engineer preventative and detective controls into systems and processes to ensure that the organisations assets are safeguarded and the company is protected against all forms of avoidable loss.

In support of the Company's zero tolerance policy towards corruption and fraud it has developed a Whistleblower Protection Policy. Amongst other things this policy provides for:

- Whistleblower anonymity (if requested) and a commitment to Whistleblower protection; and
- Multiples avenues to report suspected corruption or fraud including the nomination of a Whistleblower Protection Officer (WPO).

6.0: BREACHES OF POLICY

Failure to comply with the obligations under this policy may lead to disciplinary action being taken by HPI in accordance with the relevant policy and practices.

7.0: FURTHER INFORMATION

Please contact your Manager if you require further information in relation to this policy.