

# **Anti-Fraud and Corruption Policy**

## 1. Purpose

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- 1.1 The purpose of this Policy is to protect Webjet Limited's assets and reputation by:
- reinforcing Board and senior management commitment and responsibility for identifying fraudulent and corrupt activities and for establishing policies, controls and procedures for prevention and detection of these activities;
  - reinforcing the requirement for all employees and others to refrain from corrupt and fraudulent conduct and encourage the reporting of any instance of fraud or corrupt conduct;
  - providing a framework for conduct of investigations to ensure all suspected fraudulent and corrupt activity is dealt with appropriately;
  - assigning responsibility for the development of controls to prevent and detect fraud.

## 2. Scope

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- 2.1 This policy applies to all employees (including directors, executives and managers) and contractors of Webjet Limited and its subsidiary companies.
- 2.2 Any irregularity or suspected irregularity, involving a shareholder, vendor, consultants or any other third party agencies doing business with Webjet Limited or its employees or contractors, is included in the scope of this policy.
- 2.3 The policy does not have regard to the employees' or contractors length of service, title or relationship to the company.

## 3. Definition of Fraud and Corruption

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- 3.1 Corruption is defined as a dishonest activity in which a director, executive, manager, employee or contractor of an entity 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.
- 3.2 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;
  - a conflict of interest involving a staff member acting in his or her own self-interest rather than the interests of Webjet Limited.
- 3.3 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.
- 3.4 A fraud can typically result in actual or potential financial loss to any person or entity. However, this is not always the case and proof of actual or potential financial loss is not a pre-requisite to a breach of this policy.
- 3.5 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 Webjet Limited or creating a liability for Webjet Limited by deception;
  - impropriety in the handling or reporting of money or financial records;
  - profiting from insider knowledge of Webjet Limited activities;
  - accepting or seeking anything of value from contractors, vendors or persons providing services or goods to Webjet Limited;
  - false invoicing for goods or services never rendered or backdating agreements;
  - submission of exaggerated or wholly fictitious accident, harassment or injury claims; and
  - misuse of sick or family leave.

## 4. Policy

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- 4.1 Webjet Limited requires all employees at all times to act honestly and with integrity and to safeguard the company resources for which they are responsible. Webjet Limited is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits.
- 4.2 Any fraud or corruption committed against Webjet Limited is a major concern and as a consequence all cases will be thoroughly investigated and appropriate disciplinary action will be taken against any staff member who is found guilty of corrupt or fraudulent conduct. This may include referral to the appropriate law enforcement or regulatory agencies for independent investigation.

## 5. Fraud and Corruption Control

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### **Board and senior management responsibility**

- 5.1 The Board and senior management are ultimately responsible for setting the tone at the top and have a responsibility to:
- ensure there is effective fraud and corruption risk management framework in place;
  - understand the fraud and corruption risks that the Webjet group is exposed to;
  - maintain oversight of the fraud risk assessment and the controls in place to mitigate the risks identified;
  - monitor reports on fraud risks, policies and control activities which include obtaining assurance that the controls are effective.

### **Business unit responsibilities**

- 5.2 All business unit managers are responsible for:
- fostering an environment within their businesses that makes active fraud and corruption control a responsibility of all employees;
  - articulating clear standards and procedures to encourage the deterrence of fraud and corruption;
  - the detection and reporting of offences should they occur.
- 5.3 All employees are responsible for complying with company policies and procedures, codes of personal conduct and ethics, avoidance of conflict of interest and maintaining vigilance in early detection, reporting and prevention of fraud and corruption.
- 5.4 Managers and supervisors are responsible for communicating and raising awareness of the risks relating to fraud and corruption with their employees and for ensuring compliance with company policies and procedures, adequate rotation of employees and levels of staffing are in place.
- 5.5 Most importantly they should establish and maintain adequate internal controls that provide for the security and accountability of company resources and prevent/reduce the opportunity for fraud and corruption to occur.

### **Risk team**

- 5.6 The Risk Committee (with the support of internal audit, IT security and the asset protection employees) has the primary responsibility for:
- investigating internal and external fraud and corruption matters, including using external parties where required and notifying law enforcement or regulatory agencies as necessary;
  - conducting an annual fraud and corruption risk assessment via workshops with the businesses to assess the adequacy and effectiveness of Webjet Limited fraud risk management processes;
  - ensuring that the risk of fraud and corruption are being appropriately managed and controlled by business units;
  - analysing loss trends arising from fraud;
  - advising and assisting relevant business units in the implementation and maintenance of best practice techniques and controls to prevent and detect fraud and corruption.

### **Asset protection team**

- 5.7 Asset Protection is responsible for delivering store level audits with a focus on protecting and substantiating company assets. The main focus of their audits at store level is on cash and point of sale procedures, inventory and shrinkage management, physical security and other store level processes.
- 5.8 In addition to the above store level activities, the Asset Protection team also monitor theft or misuse of inventory from distribution centres by auditing cycle counts and monitoring and investigating inventory variances.

### **Internal audit**

- 5.9 Internal audit, as part of its audit activity is required to:
- assess the adequacy and effectiveness of Webjet Limited's fraud and corruption risk management processes, in line with Webjet Limited's risk management policies;
  - support the risk team with investigation of any suspected fraud or corrupt activity;
  - ensure that fraud and corruption risk is being appropriately managed and controlled by business units when auditing business units including compliance with this policy;
  - analyse loss trends arising from fraud and advise/assist relevant units, process owners and employees in the implementation and maintenance of best practice techniques; and
  - controls to prevent and detect fraud and corruption.
- 5.10 Additionally, any specific fraud risks (with high or moderate risk rating) flagged by the annual fraud risk assessment will form part of the annual internal audit program.

### **Human resources**

- 5.11 The human resources function is responsible for ensuring adequate procedures are in place that address:
- appropriate security screening and selection of employees;
  - disciplinary / dismissal procedures;
  - employment contracts that include relevant conditions of employment relating to fraudulent and corrupt conduct;
  - monitoring of annual leave entitlements to ensure that employees do not accumulate excessive annual leave entitlements ie four weeks over and above their yearly entitlement;
  - clarification and formalisation of responsibilities / segregation of duties (where possible, these should be included in relevant position descriptions); and
  - investigation of 'Fair Call' reports and escalation of matters as appropriate.

### **Insurance**

- 5.12 The Risk Committee is responsible for making recommendations regarding the placement and maintenance of insurance cover for crime, fraud and fidelity risk for Webjet Limited.

### **Finance**

- 5.13 Finance must implement 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 Webjet Limited's Accounting Policies and Procedures.

### **Legal**

- 5.14 Legal will provide advice and requisite management assistance regarding any prospective investigation or litigation linked to a fraud or corruption event.

## **6. Investigation Protocols**

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- 6.1 If an investigation identifies that fraud or corruption has occurred, the risk team will escalate the matter in accordance with section 7 below.
- 6.2 Decisions to prosecute or refer the examination results to the appropriate law enforcement or regulatory agency will be made in conjunction with legal counsel and senior management, and in the case of a significant matter, with the Board.
- 6.3 In the event of an investigation, members of the investigating team will have free and unrestricted access to all Webjet Limited's records and premises. They will have the authority to examine, copy and remove any information within the scope of the investigation.

## **7. Reporting**

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- 7.1 Any employee or contractor who suspects fraud or corrupt activity has the ability to confidentially report the matter through one of the following options:
- notifying their immediate manager or their HR manager;
  - notifying the Company's Compliance Officer or using the anonymous online reporting tool as detailed in the Whistleblowing Policy;

- directly notifying one or more non-executive Director members of the Risk Committee.

7.2 It is the responsibility of all employees to report all suspected, attempted or actual fraud or corruption incidents. All information received will be treated confidentially by any manager, the Risk Committee and/or member of the Senior Executive team to whom it is disclosed.

7.3 Investigations will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

7.4 The table below outlines the escalation requirements upon receiving a report of suspected fraud or corruption.

Size and nature of report	Escalation
Any report of suspected fraud or corruption received by management	The Managing Director (MD) or Global Chief Operating Officer (COO)
Where the incident meets the definition of corruption (regardless of the financial impact).	<p>MD or COO (as the case may be), which persons will be responsible for escalating to:</p> <ul style="list-style-type: none"> <li>• the Board Chair; and/or</li> <li>• the Board.</li> </ul> <p>For minor incidents (the financial impact is less than \$20,000), the MD / COO must discuss the matter, including any legal action or required disclosure, with the Board Chair.</p> <p>For more major incidents (the financial impact is greater than \$20,000), the MD or COO must prepare an immediate report for the Board.</p> <p>The Board will discuss the matter, including any legal action or required disclosure, with the MD or COO and determine the course of action, as appropriate.</p>

[www.webjetlimited.com](http://www.webjetlimited.com)

**Webjet Limited**

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