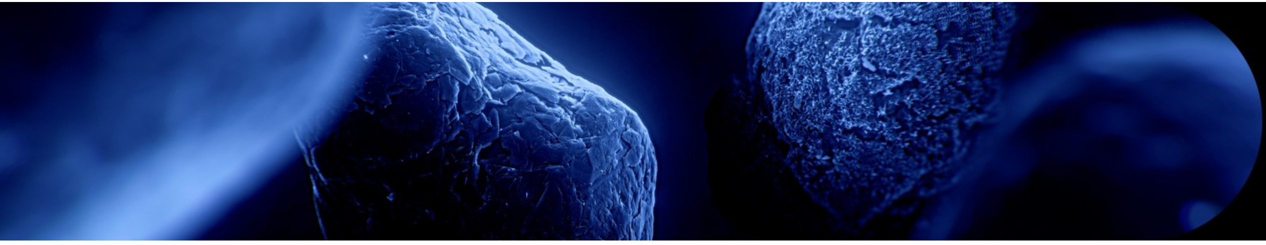

FRAUD MANAGEMENT POLICY

ALPHA HPA LIMITED

ABN 79 106 879 690

CONTENTS

1 BACKGROUND AND PURPOSE

Alpha HPA is committed to the highest standards of ethical and accountable conduct. Alpha HPA has zero tolerance for fraud in the organisation and is committed to its deterrence, prevention, detection and control.

Alpha HPA strives to foster and maintain a culture that conducts business with integrity and honesty. Alpha HPA's strong endorsement of fraud control and prevention activities further demonstrates our commitment to mitigating fraud risks across the business.

This policy outlines the minimum requirements and responsibilities for managing fraud across Alpha HPA. In addition, this policy provides guidance to staff to ensure they're aware of their responsibilities in fraud prevention.

2 APPLICATION

This policy applies to:

- all Directors of Alpha HPA;
- all employees of Alpha HPA, whether full or part time or casual; and
- all persons working for Alpha HPA under a contract or a consultancy agreement, as opposed to an employment contract.

For the purposes of this policy, the above people are collectively referred to as "**Alpha HPA Personnel**".

This policy applies to all Alpha HPA Personnel and to all activities anywhere in the world.

This policy should be read in conjunction with our policies and procedures as outlined in section 8.

3 ROLES AND RESPONSIBILITIES

3.1 RESPONSIBILITIES OF MANAGERS AND EXECUTIVE LEADERSHIP

Managers and executive leadership are the central point of contact for Alpha HPA Personnel regarding fraud control and prevention. Manager's and Executive Leadership are responsible for:

- Being aware of the types of potential fraud that might occur within their areas of responsibility.
- Promptly identifying and assessing suspected fraud instances in line with this policy and the [Fraud Risk Matrix].
- Ensuring that the Risk & Sustainability Committee will be regularly notified of all instances of suspected or identified fraud via the Incidents/Complaints Register. The Managing Director will be immediately notified of severe or extreme incidents of fraud.
- Ensuring remediation is undertaken for any actions identified and share any lessons learned, as appropriate.
- Keeping the Risk & Sustainability Committee informed of material developments in relation to fraud incidents and investigations.

- Risk & Sustainability Committee should keep the Board regularly informed of any reports of identified fraud and the process of any investigation based on the Fraud Risk Matrix.
- Recording all reports of fraud made in Alpha HPA's Incidents/Complaints Register and Enterprise Risk Register.

In addition to the general obligations outlined above, Managers have the following additional responsibilities:

- Creating an environment in which fraud is discouraged and reporting by employees is encouraged;
- Ensuring that new employees for whom they are responsible are aware of their responsibilities in relation to fraud and the standard of conduct expected as outlined in the Code of Conduct;
- Ensuring that current staff have education and training opportunities to develop the necessary knowledge and skills to apply this Policy as appropriate to their role in the company;
- Identifying potential fraud risks;
- Treating all reports of alleged fraud seriously and confidentially and in line with the Fraud Risk Matrix;
- Leading by example to promote ethical behaviour.

3.2 RESPONSIBILITIES OF EMPLOYEES AND SUPPLIERS

All Alpha HPA employees and suppliers:

- Must not knowingly commit, or be a party to, or be involved in any fraud; and have responsibility to prevent fraud.
- Are obliged to immediately report any suspected fraud and corruption that they become aware.
- Will perform their functions and duties in a professional and ethical manner, with care, diligence, honesty and integrity, in accordance with the relevant legislation (including the Code of Conduct);
- Must not engage in, or participate in any form of fraud;
- Must report any occurrence or suspicion of fraud within Alpha HPA to their Manager or via other channels outlined in the Whistleblower Policy (per section 6.1).
- Must familiarise themselves with this Policy and related policies and procedures.

4 WHAT IS FRAUD?

Fraud is a dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.

There are two types of fraud, internal fraud and external fraud.

4.1 INTERNAL FRAUD

Internal Fraud is defined as fraudulent activity where at least one perpetrator is employed by or has a close association with the target organisation and has detailed internal knowledge of the organisation's operations, systems and procedures.

4.2 EXTERNAL FRAUD

External Fraud is defined as fraudulent activity where no perpetrator is employed by or has a close association with the target organisation.

4.3 EXAMPLES OF FRAUDULENT BEHAVIOUR

Examples include:

- Theft of Alpha HPA assets (e.g. cash, computers, stationery etc);
- Unauthorised use of Alpha HPA assets for personal use;
- Improper use of Alpha HPA information for personal financial benefit;
- Falsifying documents e.g. invoices, timesheets and travel claims;
- Using a corporate credit card for personal use;
- Disclosing the commercially sensitive information of one party to another;
- Collusion with customers to reduce bills e.g. through incorrect tariffs, unjustified credit notes, e.g.; and
- Making a deliberate financial misstatement by, for example, the intentional misreporting of profit, revenues, or expenses.

5 AWARENESS AND PREVENTION

Alpha HPA Personnel must be aware of the potential for fraud in their business area and the appropriate control strategies to deter, prevent and detect fraud.

All identified fraud risks must be documented within the Incidents/Complaints Register and Enterprise Risk Register. These risk must be reviewed in the event of a key change in the relevant department

Examples of control procedures to mitigate the risk of fraud include:

- Alpha HPA policies and culture promoting and encouraging ethical behaviour
- New employees and contractor's acknowledgement of policies upon commencement
- Regular policy updates and communication to Alpha HPA Personnel
- Authorisation and dual check controls within key processes
- Segregation of duties (including some enforced by systems and automated workflow)
- Periodic review of fraud risks and scenarios
- Pre-employment screening

- System access controls
- Centralised operations

6 DETECTION AND REPORTING INSTANCES OF FRAUD

Alpha HPA Personnel must immediately report any known or suspected instances of fraud in accordance with the requirements of Alpha HPA's Whistleblower Policy. You must not investigate any suspected fraud or talk to anyone potentially involved in the matter.

During any business led activities (e.g. fraud monitoring, audits, etc.) if any suspected or actual instances of fraud are identified, the matter must also be escalated to the Risk & Sustainability Committee who will agree the required next steps.

6.1 REPORTING INSTANCES OF FRAUD

Alpha HPA seeks to embed a robust speak up culture among Alpha HPA Personnel, so they are confident and comfortable identifying and reporting suspected fraud. To support this, Alpha HPA provides multiple channels for Alpha HPA Personnel to make a confidential report and these are outlined in the *Whistleblower Policy*.

7 RESPONDING TO FRAUD

7.1 INVESTIGATION

- Managers and Executive Leadership are responsible for initiating the appropriate response to suspected fraud based on the assessed level of risk, using Alpha HPA's Fraud Risk Matrix. Where incidents are assessed as "Major" or lower, management may resolve the matter using discretion, including corrective action.
- Where fraud is assessed as "Severe" or "Extreme", the matter must be escalated immediately to the Managing Director who will in turn report the fraud to the Risk & Sustainability Committee.
- For such high-risk cases, the Risk & Sustainability Committee will take carriage of the investigation and may form an Investigation Review Panel that conduct an initial assessment of the alleged fraud.
- If the Investigation Review Panel decides to proceed with an investigation, they must appoint an Investigation Facilitation Officer to oversee the investigation.
- When appointing an investigation team, the Investigation Facilitation Officer must select appropriately skilled and experienced individuals who are independent of the department being investigated. This may include the appointment of external investigators.
- All investigation reports must be provided to the Risk & Sustainability Committee and at the completion of an investigation to the Audit Committee as part of Audit Committee reporting obligations.
- All decisions relating to employee disciplinary action must be made in consultation with Human Resources.
- Subject to any applicable confidentially, legal, and similar restrictions, Risk & Sustainability Committee will communicate the consequences and learnings arising from any proven fraud.

7.2 REPORTING

- Management must ensure that all suspected or identified fraud incidents are recorded in the Incidents/Complaints register and Enterprise Risk Register.
- The Risk & Sustainability Committee will be regularly informed of all instances of suspected or identified fraud through these registers.
- The Risk & Sustainability Committee will keep the Managing Director and Board informed of any reports of identified "Severe" and "Extreme" fraud matters and the process of any investigation.
- Where there is a legal or regulatory requirement to do so, proven fraud must be reported to relevant authorities in accordance with the requirements of that jurisdiction. Contact with authorities must only be undertaken by an authorised representative.

8 COMPLIANCE

Any proven cases of fraud will be regarded as serious misconduct and may result in dismissal. It may also expose an individual to civil or criminal legal liability and could result in imprisonment.

Alpha HPA Personnel will breach this Policy if they:

- Act fraudulently or corruptly, engage in or encourage others to engage in, fraudulent activities or misconduct, or behave other than in accordance the standard of conduct outlined in this Policy, the Code of Conduct and any of Alpha HPA's ethical behaviour policies and procedures;
- Make false, malicious, mischievous or misleading reports;
- Fail to report suspected or observed fraudulent activities and misconduct; or
- Take reprisal action against reporters of fraud or misconduct or suspected fraud.

Breaches of this Policy will be taken extremely seriously and may result in serious consequences for those involved. This may include, but is not limited to the following:

- Internal or external investigations;
- Disciplinary action;
- Referral to the relevant regulatory authority, such as the appropriate police jurisdiction, for investigation and/or criminal prosecution; or
- Civil litigation

9 DEFINITIONS

TERM	DEFINITION
Alpha HPA, the Company	Alpha HPA Limited
Control	Control is defined under AS8001-2021 as a measure that is modifying risk
External Fraud	External Fraud is defined under AS8001-2021 as Fraudulent activity where no perpetrator is employed by or has a close association with the target organisation.
Fraud	Fraud is defined under AS8001-2021 as dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organization and/or where deception is used at the time, immediately before or immediately following the activity.
Fraud Risk Matrix	A matrix for assessing the nature and impact of a fraud event that shall be agreed between the Risk and Sustainability Committee and the Managing Director from time to time.
Internal Fraud	Internal Fraud is defined under AS8001-2021 as Fraudulent activity where at least one perpetrator is employed by or has a close association with the target organization and has detailed internal knowledge of the organization's operations, systems and procedures.
Investigation	Investigation is defined under AS8001-2021 as a search for evidence connecting or tending to connect a person (with a natural person or a body corporate) with conduct defined by this Standard as Fraud.
Investigation Review Panel	A group appointed to oversee the investigation of each disclosure of Fraud. Responsibilities may include determining the best way forward for each disclosure, appointing an Investigation Facilitation Officer and investigation team, protecting the welfare of key stakeholders such as the discloser and the accused, and relevant communications to management and the Board.
Investigation Facilitation Officer	Facilitates the investigation process by mobilising appropriate internal / external investigators and provides regular updates to the Investigation Review Panel.
Stakeholder	Facilitates the investigation process by mobilising appropriate internal / external investigators and provides regular updates to the Investigation Review Panel.
Threat	Threat is defined under AS8001-2021 as a potential cause of an unwanted incident, which can result in harm to a system or organization.
Whistleblower	Whistleblower is defined under AS8001-2021 as a person who reports wrongdoing.

10 DOCUMENT CONTROL

DOCUMENT INFORMATION	
Document approver	Managing Director
Document owner name	Chief Financial Officer
Enterprise Risk Register owner name	Chief Executive Officer - Alpha Sapphire
Document version number	1.0
Document review cycle	Every two years
Next Document review date	Day Month Year
LINKED ARTEFACTS	
Linked documents	• Anti-bribery and Corruption Policy • Code of Conduct • Declarations of Interests Register • Fraud Management Policy • Incidents/Complaints Register • Enterprise Risk Register • Gifts and Benefits Register • Supplier Code of Conduct • Statement of Values • Whistleblower Policy
Linked legislation	• The Australian Criminal Code Act 1995. • AS8001-2021 Fraud and Corruption & Corruption Control standards • Crime and Corruption Act 2001 • Criminal Code Act 1899 • Criminal Proceeds Confiscation Act 2002 • Information Privacy Act 2009 • Any other Fraud and Corruption and corruption laws in countries which Alpha HPA operates
Linked risks	• Reputational • Regulatory • Finance

11 REVISION HISTORY

REVISION HISTORY			
Version	**Approval date**	**Author**	**Description**
5.0	DD MONTH YEAR	NAME	Brief description of the changes
4.0			