

Redcape Hotel Group Corporate Policy

Anti-bribery and Corruption Policy

Redcape Hotel Group Management Ltd (ACN 610 990 004) (AFSL 505932) is the responsible entity of Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) (together "Redcape" or "Redcape Hotel Group"). MA Hotel Management Pty Ltd (ACN 619 297 228) is the appointed investment manager and hotel operator of Redcape.

Document Configuration Management

Document Identification

Version	1.0
Sensitivity Classification	Internal only
Document Owner	GM Risk and Compliance

Preparation/Change Control

Action	Name	Role / Function	Date
Prepared by:	Stewart Nicotra	GM Risk & Compliance	October 2019
Reviewed by:	Dan Brady	CEO	December 2019
Approved by:	Redcape Board	Board	24 December 2019

Release

Version	Date Released	Change Notice	Remarks
1.0	24 th December 2019	Initial policy published	For annual review

Distribution List

Name	Organisation	Title
Venue Staff	Redcape	All staff

1. Policy statement

The Board of Directors of Redcape Hotel Group Management Ltd (**Company**) in its capacity as responsible entity of the of the Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) ("**Redcape Hotel Group**" or "**Redcape**") is responsible for the overall management of Redcape and its controlled entities (**Group**) and is committed to conducting business in an honest and ethical manner, and maintaining a high standard of integrity, client confidence and good corporate governance.

The Company takes a zero-tolerance approach to bribery and corruption and is committed to implementing and enforcing systems that ensure bribery is prevented. As part of this commitment, we will not tolerate any form of bribery or corruption in our business or in those we do business with.

2. Purpose

Redcape's Anti-Bribery and Corruption Policy (**Policy**) is a critical component of its delivery on its core values of fairness and accountability and outlines Redcape's requirements regarding the management of gifts, hospitality and other benefits, dealings with government or public officials, facilitation payments, political and charitable contributions, and dealings with third parties.

This Policy forms part of Redcape's wider policy framework including its Code of Conduct, Conflicts of Interest Policy, Anti-Money Laundering Program, Whistleblower Policy and other associated risk and compliance policies.

3. Scope

This Policy applies to all Redcape employees (whether permanent, fixed-term or temporary), contractors, agents, consultants, secondees and directors wherever located (collectively referred to as **employees**).

This Policy applies globally. If travelling or based outside of Australia, Redcape employees are subject to the laws of the country they are in. However, the principles of this Policy must be followed regardless of whether that country has specific anti-bribery and corruption laws. Where a country has anti-bribery and corruption laws which are of a lesser standard to this Policy, this Policy prevails.

4. Definition of bribery and corruption

Bribery is the offering, promising, authorising, giving, accepting or soliciting of a bribe to influence someone in government or business either in their personal or official capacity, to obtain or retain a business or personal advantage.

Bribes are benefits of any kind offered, promised or provided to gain any business, commercial, contractual, regulatory or personal advantage and can take the form of gifts, loans, fees, rewards, hospitality or other advantages. A bribe may not always be of large value and is not limited to payments of money.

Corruption is the abuse of entrusted power for private gain.

In practice, bribery or corruption generally involves the improper influence of an individual in the performance of their duty, whether in the public or private sector. Serious criminal and civil penalties

can be incurred by committing bribery or corruption. Both are serious offences, any suggestion of which can have a significant impact on the individuals involved, the Group's brand, reputation and profits.

5. Policy

5.1 Bribes

Employees must never give, offer, promise, accept, request or authorise a bribe, whether directly or indirectly.

If employees are uncertain about whether something could be construed as a bribe, they should contact Risk & Compliance for guidance.

5.2 Gifts, hospitality and other benefits

In dealings with **government or public officials** in Australia or overseas, **employees must notify Risk & Compliance** prior to accepting or giving **any** gift, hospitality or other benefit, of **whatever value**.

In all other dealings **under the value of AUD \$500**, employees must notify their Line Manager when accepting or giving any gift, hospitality, entertainment or benefit.

For any gift, hospitality, entertainment or benefit **over the value of AUD \$500, permission must be obtained from your line manager prior to acceptance and the transaction logged in the Gifts and Gratuities Register**, or in the case of donations to community groups, directly into OMG. For clarity, employees should never accept or give gifts, hospitality or other benefits valued at AUD\$500 or more without the express permission of their Line Manager. This includes where gifts, hospitality or other benefits are received on a recurring basis or broken down into parts of less than AUD\$500.

The Company recognises that the practice of giving and receiving business gifts varies between countries and cultures, so definitions of what is and is not acceptable will differ.

5.3 Dealings with government or public officials

Government or public officials include employees, officials or contractors of government, government bodies (including military and police) or government-controlled companies; members of the executive, legislature or judiciary; statutory officeholders; public international organisation employees and contractors; and, politicians (including candidates for office).

Employees may engage with governments, regulators and industry associations globally.

However, employees must never accept, give, offer, or cause the giving of a bribe to an Australian or foreign government or public official.

5.4 Facilitation payments

Facilitation payments are low value payments to government officials or employees designed to expedite or facilitate routine government actions, e.g. processing visas, permits and other actions of a

non-discretionary nature (i.e. which they are already bound to perform). The payment is not intended to influence the outcome of a government official's action, only its timing.

Employees are permitted to use legitimate fast-track processes to expedite routine government actions of a minor nature, such as for processing visas. Employees must never make such payments in cash, or that are unofficial, improper or irregular.

5.5 Political contributions

Political contributions include gifts, payments, loans or anything of value made to a political party, candidate or elected parliamentarian in federal, state or local government.

NSW

Under the Election Funding, Expenditure and Disclosures Act 1981 (NSW), it is illegal for Redcape to make any form of political donation in respect of NSW State or local government political parties, candidates, groups of candidates, councillors or elected members.

A 'political donation' is defined to include a gift made to or for the benefit of:

- a political party
- an elected member
- a candidate or a group of candidates; or
- a third party to enable that third party to make a political donation of the kind set out above.

For clarity, a gift includes an 'in kind' benefit where that same benefit is not generally made available to other non-political third parties.

A political donation also includes an amount paid by a person as a contribution, entry fee or other payment to entitle that person, or any other person, to participate in a fundraising venture or function.

Federal and Other State Jurisdictions

Outside of the NSW prohibitions, Redcape may make political contributions within Australia in an open and transparent manner and in compliance with all relevant federal and state laws.

Political donations must be approved by the CEO/Board of Directors in accordance with the Delegations of Authority Policy. Redcape discloses all political donations to the Australian Electoral Commission and state electoral authorities as required.

Political contributions made on or behalf of Group outside of Australia are prohibited.

5.6 Charitable contributions

Charitable support and contributions are acceptable (and indeed are encouraged), whether of in-kind services, knowledge, time, or direct financial donations. However, employees must be careful to ensure that charitable contributions are not used to facilitate or conceal bribery.

The Group can only make charitable contributions that are legal and ethical under local laws and practices. In Australia, to be classified as a charity an organisation must have deductible gift recipient

status with the Australian Taxation Office. This status makes the organisation entitled to receive income tax deductible gifts and deductible contributions.

No charitable contributions must be offered or made on behalf of the Group without the prior approval of the CEO.

Please note: donations made to community groups (for example sporting teams), should be made in accordance with section 5.2 of this policy and in accordance with the Delegations of Authority Policy.

6. Third parties

Third party means any individual or organisation that employees come into contact with during the course of their work, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

In dealing with third parties, this Policy requires sufficient due diligence to be undertaken in respect of those third parties to ensure they are suitable to be associated with the Group, and that appropriate controls are implemented to prevent and detect bribery and corruption. This is to avoid the possibility of the Group engaging third parties at risk of committing bribery or a corrupt act on the Group's behalf or for which the Group may be responsible or otherwise liable.

7. Monitoring, review, and training

This Policy will be reviewed annually. Redcape employees must complete training with respect to this Policy upon induction and annually thereafter. Identified high risk employees or associates of the Group shall receive additional training.

The CEO and General Manager Risk and Compliance will review the Gifts and Gratuities Register on a quarterly basis and take necessary action as appropriate. The review will consider:

- To the best extent possible in the knowledge of both parties, whether all gifts, hospitality or other benefits meeting the requirements have been disclosed;
- The number and value of gifts, hospitality, entertainment or other benefits declared by employees and whether they pose a legal, commercial or perception risk to Redcape.

Board Oversight

The Redcape Audit and Risk Committee will review the Gifts and Gratuities Register for the previous calendar year at its first meeting of each year.

8. Employee responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Redcape.

All employees are required to avoid any activity that might lead to, or suggest, a breach of this Policy. Any employee who breaches this Policy will face disciplinary action, including potential termination of employment.

Employees must notify their Manager or Risk & Compliance as soon as possible if they believe or suspect that a conflict with, or breach of, this Policy has occurred, or may occur in the future.