

Devine Limited (**Devine**) and its subsidiaries (**the Devine Group**) (**the Group**) is committed to a culture of corporate compliance and high ethical behaviour. The Group expects all its officers and employees to act in accordance with the **Devine Code of Conduct** and **The Devine Way**, being the corporate principles of Integrity, Commitment, Excellence, Care and Innovation.

Purpose

The Group takes a zero-tolerance approach to fraud, bribery and corruption. The purpose of this policy is to establish controls to ensure compliance with all relevant anti-bribery and corruption laws and regulations applicable to the Group and its employees.

Application

This policy applies to all officers and employees of the Group and is available via the Group intranet and the Group website. This policy is an integral part of the Group's internal control policy framework and should be read and applied in conjunction with The Devine Way.

Objectives

The objectives of this policy are to:

- outline the key processes that are in place to mitigate the risk of fraud, bribery and corruption occurring;
- promote a greater awareness amongst officers and employees of the potential for fraud, bribery and corruption to occur and to highlight the adverse impacts it can have on the company;
- ensure that officers and employees are empowered to act in situations where they suspect inappropriate and potentially fraudulent activities might be occurring;
- provide mechanisms by which officers and employees can report, anonymously if necessary, activities they suspect are inappropriate; and
- commit all levels of management to act on any suspicions of fraud, bribery or corruption.

Policy

Fraud, bribery and corruption have the potential to undermine the principles and values of any organisation and to adversely affect the organisation's financial capacity and its reputation and standing in the marketplace. Serious criminal and civil penalties may apply to any organisation involved in bribery or corruption. The Devine Group is committed to effective corporate governance and creating an environment within the Group that is free of fraudulent and corrupt behaviour.

As a public company, Devine recognises the importance of the interests of those who have entrusted their capital to the company; the broader interests of Group's employees, suppliers, subcontractors and customers; and the adverse impact that fraud, bribery and corruption can have on all of these stakeholders.

Managing Fraud, Bribery and Corruption Risks

Fraud, bribery and corruption mitigation controls are based on the development of an appropriate control environment and the promotion of an ethical culture within an organisation. Key elements of this include:

- having formally documented and communicated policies and procedures;
- management undertaking a regular review of key payments and transactions;
- employees being aware of potential indicators of fraud, bribery and corruption;
- implementation of an appropriate remuneration strategy;
- maintaining an organisational culture within the Group that promotes a positive sense of belonging;
- ensuring employees take annual leave on a regular basis; and
- providing mechanisms by which employees can discuss and/or report inappropriate behaviour.

Appendix 1 of this policy sets out the Devine Fraud Risk Register that contains a list of the types of fraudulent activities that Devine is exposed to, and the controls in place to minimise the risk of such activities occurring.

Fraud

The sources and types of fraud and corruption that can be committed are many and varied. Most frauds occur from the following sources:

- current employees (including spouses and family members);
- potential employees (recruitment fraud);
- external suppliers, consultants and subcontractors;
- business associates and partners; and
- unidentified third parties (internet / bogus suppliers / fraudsters).

As a company that is diverse from both a geographic and product basis, Devine is exposed to fraud at a variety of levels. Examples of the type of fraud that can take place in our workplace include:

- minor and immaterial amounts of inappropriate or personal expenditure claimed through Petty Cash or paid for on company VISA cards;
- arranging for private work to be carried out by subcontractors and paid for by Devine;
- acting in collusion with suppliers and subcontractors to receive favours and/or “kick-backs”;
- manipulating the financial results for an activity within a Business Unit such that a financial benefit accrues to the perpetrator;
- arranging for fraudulent cheques or disbursements to be made so as to receive a financial benefit; or
- receiving secret commissions.

Bribery

Bribery is the offer, payment or provision of anything of value, in order to influence a decision, create an improper advantage and/or encourage the misuse of a person’s authority. The Group prohibits, and has zero tolerance for, all forms of bribery. Employees must obey all relevant laws and regulations, and must not participate in any arrangement which gives any person an improper benefit in return for an unfair

advantage to any party, directly or through an intermediary. Benefits include facilitation payments (payments of cash or in kind made to secure or expedite a routine service, or to 'facilitate' a routine Government action), even if allowed under local laws or customs.

Corruption

This criminal offence relates to how an organisation or individual conducts themselves with respect to the way they earn new business or retain existing business. It involves the provision of an inappropriate level of inducement to an individual or organisation to encourage or reward them for doing something.

Corruption is often focused on dealings with government and similar organisations but can extend to suppliers and third parties generally. Any actions that are designed to inappropriately influence or coerce someone can be considered to be corrupt. These include:

- The payment or receipt of a "fee", "secret commission" or "gift"
- Provision of excessive or inappropriate entertainment
- The release of confidential information, other than for a proper business purpose, for a financial or non-financial advantage
- Collusive tendering
- The payment or solicitation of donations for an improper political purpose
- Exerting financial, professional or personal pressure on someone
- Failing to report a conflict of interest or acting in one own self-interest rather than in the interests of the company.
- Manipulation of a tendering process by favouring one tenderer or selectively providing information to some tenderers and not others and receiving favours or "kick-backs" in return.

Whilst Devine recognises that developing effective business relationships is necessary to ensure the ongoing success of the business, the nature of these relationships must at all times be professional and in accordance with the principles of ethical and honest dealings which are essential elements of The Devine Way.

Fraud and Corruption Risk Responsibility

All members of the management team and in particular, the Senior Executive Team have a clear responsibility for monitoring fraud risk and providing a work environment where employees can report suspected or actual cases of fraud, bribery and corruption without fear of recrimination or reprisal.

To support this, and to ensure that employees feel they can discuss matters of concern with someone independent of operational management, a confidential third-party whistleblowing service (Ethics Line) is available to provide advice and assistance to employees who have suspicions of inappropriate activity being undertaken.

Alternatively, employees are encouraged to discuss concerns with Company Secretary or CEO.

Further information is set out in the Whistleblower Policy.

Internal and External Audit

The role of both internal and external audit is not specifically aimed at detecting instances of fraud, bribery or corruption. Rather, it is to provide assurance to management that the controls in place are appropriate and operating effectively to minimise both the likelihood of a fraudulent activity occurring and its impact should it occur.

Should the work performed by internal or external audit identify a situation that indicates that a potential fraud exists they are required to assess the situation and report it to the most appropriate level of management or the Chairman of the Audit Committee as soon as practical. In all instances where fraud is found to have occurred, the Company Secretary, CEO and the Chairman of the Audit Committee are to be notified as soon as possible.

It is noted that in accordance with ASX listing rules the company is required to report any instances of fraud that are detected to the company's External Auditor.

New Employees and Suppliers

Whenever Devine enters into a new arrangement with either a new staff member, supplier, sub-contractor, consultant or agent, the company is exposed to an increased level of risk that the person or company may have a history of fraudulent behaviour and may provide information that is inaccurate or misleading to disguise that behaviour when assessments are being made as to whether or not they should be employed or engaged.

It is appropriate therefore that Devine, through its recruitment and contracting practices, undertake appropriate vetting of new suppliers and employees to minimise this risk. This includes undertaking reference checks and confirming qualifications as well as conducting reviews of experience and technical qualifications. In relation to companies, this will include their financial backing and stability. In relation to certain new employees, this may include a police check.

Disciplinary Procedures

Any employee suspected or found guilty of fraudulent or corrupt behaviour will be managed in accordance with the Group's policies. In most instances, employees will have their employment suspended pending the outcome of an investigation.

It is the Group's policy to report all instances of theft, misappropriation and fraud to the police so that the matter can be properly investigated and dealt with in an appropriate manner. This is to both ensure that appropriate penalties as prescribed by the law are applied, and to act as a strong deterrent to any employees who may be contemplating undertaking fraudulent activities.

In circumstances where a case is proven against an employee and no restitution has been forthcoming, the Group will seek to recover any misappropriated funds from the employee's outstanding leave balances.

Owner:	Company Secretary
Approved by:	Chief Executive Officer
Effective date:	December 2019

Note: Devine reviews and updates this Policy from time to time to reflect its current information handling practices. Devine will notify changes by posting an updated version of the Policy to the Group website.



DEVINE GROUP: POLICY AND PROCEDURE

Anti-bribery and Corruption Policy

December 2019



Appendix 1

DEVINE FRAUD RISK REGISTER			
Description	Potential Loss	Controls	Exposure/Comment
Inappropriate expenditure (i.e. personal) paid via petty cash.	<\$1,000	<ol style="list-style-type: none"> 1. Review and approval of expenditure by Management 2. Internal Audit review 	
Theft of petty cash	<\$2,000	<ol style="list-style-type: none"> 1. Petty Cash tins stored securely 2. Minimal balances of Petty Cash held 	
Inappropriate expenditure (i.e. personal / internet scam / stolen card) charged to corporate VISA cards.	<\$10,000	<ol style="list-style-type: none"> 1. Review and approval of expenditure by Management 2. Internal Audit review 	
Theft of site based plant and equipment	<\$10,000	<ol style="list-style-type: none"> 1. Physical site and office security 2. Register of site tools and equipment kept 	
Theft of computer and office equipment	<\$10,000	<ol style="list-style-type: none"> 1. Physical site and office security 2. Asset register maintained 	
False invoicing - collusion with suppliers / fictitious company	Generally minor but could be material (\$100k+)	<ol style="list-style-type: none"> 1. Controls over ordering / budgets / actuals 2. Variance analysis and review 3. Invoice processing systems 4. Payment authorisation 	
Subcontractors and suppliers undertaking private work for employees or family members and charging the cost to the company	<\$10,000	<ol style="list-style-type: none"> 1. Controls over ordering / budgets / actuals 2. Variance analysis and review 3. Invoicing processing systems 4. Payment authorisation 	<ol style="list-style-type: none"> 1. covers the use of ETS's and Site Variations



DEVINE FRAUD RISK REGISTER			
Description	Potential Loss	Controls	Exposure/Comment
Collusion with suppliers results in financial benefit via unauthorised allowances being included within contracts	Depends on the contracts size.	<ol style="list-style-type: none"> 1. Controls over ordering / budgets / actuals 2. Effective estimating and Bill of Quantity calculations 3. Variance analysis and review 	
Accounts receivable – cash receipts being misappropriated	Low Risk	<ol style="list-style-type: none"> 1. Low cash environment due to the use of cheques and direct deposits / settlements. 2. Trust accounts closely monitored and subject to independent audit 	
Theft of intellectual property and confidential information	Difficult to quantify	<ol style="list-style-type: none"> 1. Trade marking business names and logos as well as licensing business names and trading names. 2. System network security and firewalls to prevent external attack 3. Code of conduct / ethical behaviour and confidential information policies 4. Restricting access to data 	<ol style="list-style-type: none"> 1. lack of security on data stored on external devices (e.g. USB's) 2. access to data on hard drives of lost and stolen PC's. 3. unauthorised distribution of information to third parties
Financial reporting fraud (reporting false and inaccurate data to management / shareholders / market)	Reputational and possible regulatory and shareholder action	<ol style="list-style-type: none"> 1. Review of accounts by management 2. Restricting access to data 3. Accounts subject to external audit 4. Certification of results by management prior to approval by the board and dissemination to the market 	<ol style="list-style-type: none"> 1. can range from inaccurate data and assumptions in estate models, forecasts and budgets to deliberate falsification of audited financial results.
Release of inaccurate or misleading information	Reputational and possible regulatory and shareholder action	<ol style="list-style-type: none"> 1. Controls over the release of financial information 2. Policy on talking to the media 	

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Description	Potential Loss	Controls	Exposure/Comment
Insider trading	Reputational for company and criminal for perpetrator.	1. Formal share trading policy in place	
Misuse of position by senior management to gain a financial advantage	Difficult to quantify.	1. Company Code of Conduct and related policies. 2. Staff awareness of inappropriate behaviour and/or relationships and reporting that behaviour.	Relates to coercing suppliers to undertake work or supply goods at reduced rates for personal advantage regardless of whether or not payment was made by the company. Can also include seeking or providing inappropriate or excessively expensive forms of entertainment or charging costs to the company where no business purpose was attached.
Excessive personal use of company phones	<\$1,000 / yr	1. Review of monthly phone costs	
Falsification of financial and non-financial information to support payment of bonuses under the company's short term incentive scheme.	< \$200,000	1. Staff independent of operations prepare and review monthly financial reports 2. Monitoring by senior management 3. Management accounts subject to external audit	
Falsification of sales information to support payment of commissions and overrides	<\$50,000	1. Management review and approval of commission payments 2. Controls over requests for payment of commissions	



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DEVINE FRAUD RISK REGISTER			
Description	Potential Loss	Controls	Exposure/Comment
		and overrides	
Entering into agreements with sales agents on non-commercial terms and conditions to receive "kick-backs"	<\$100,000	1. Review and approval of agreements with external agents by Business Unit or senior managers	
Receipt and/or payment of secret commissions and other inducements to secure contracts	<\$100,000	1. Review and approval of payments by senior management	

