



Air Niugini

Fraud and Whistle Blower Policy

Table of Contents

1.	Overview	1-1
1.1	Context.....	1-1
1.2	Purpose.....	1-1
1.3	Scope	1-1
2.	Definitions	2-1
2.1	Fraud.....	2-1
2.1.1	Corrupt Conduct.....	2-1
2.1.2	Conspiracy	2-1
2.1.3	Maladministration	2-1
2.1.4	Serious and substantial waste	2-1
2.1.5	Breaches of any Law or Internal Policy.....	2-1
2.1.6	Other misconduct behaviour	2-2
2.2.	Fraud Types	2-3
2.2.1	Internal (employee)	2-3
2.2.2.	External	2-3
2.3	Service Provider.....	2-3
3.	Policy Principles.....	3-1
4.	Policy Requirements	4-1
4.1	General Requirements	4-1
4.2	General Managers/Port Managers and Department Heads	4-1
4.3	Employees, Temporary Staff, Contractors and Service Providers	4-1
4.4	Whistleblower.....	4-1
4.4.1	Reward.....	4-1
4.4.2	Contacts	4-1
4.4.3	Non Discrimination	4-3
5.	Governance	5-1
5.1	Policy review	5-1



1. Overview

1.1 Context

The Fraud and Whistle Blower Policy ensures that risks associated with fraudulent activities are minimised.

1.2 Purpose

The purpose of the Policy is to:

- Determine Air Niugini's principles and mandatory requirements for the prevention of fraud.
- Create an environment where the staff feel free, confident and encouraged to reveal any serious concerns they may have about the conduct of employees at all levels in Air Niugini, rather than overlooking a problem or "blowing the whistle" outside Air Niugini, without fear of victimisation, subsequent discrimination or being disadvantaged in any way.
- Ensure that all staff are aware that they will be held accountable for any actions or activities they undertake that is not in line with Air Niugini's policies and guidelines.

1.3 Scope

The Policy applies to all businesses, including subsidiaries and joint ventures where Air Niugini has a controlling interest. It is applicable to all Directors, employees, temporary staff, contractors and service providers.





2. Definitions

2.1 Fraud

Fraud conduct is:

- Taking or obtaining by deception, money or any other benefit from Air Niugini when not entitled to the benefit; or
- Attempting to do so and this includes evading a liability to Air Niugini.

Fraud also includes, but is not limited to, offences involving dishonest or deceitful conduct with intent to obtain some financial advantage or property of another.

2.1.1 Corrupt Conduct

Corrupt conduct is when a staff:

- Carries out their duties dishonestly or unfairly, breaches customer trust, misuses Air Niugini information or resources, or becomes involved in matters such as bribery, fraud or violence.
- Is aware of corrupt dealings or practices but fails to report it to the appropriate stakeholder. This is seen as being negligent.

2.1.2 Conspiracy

Conspiracy is any conduct between two or more Air Niugini employees or an Air Niugini employee and an external party to do an unlawful act, or to commit an unlawful act by unlawful means.

2.1.3 Maladministration

Maladministration is conduct that involves action or inaction of a serious nature that is unlawful, against Air Niugini policies, unreasonable, unjust, oppressive, discriminatory, or is based on improper motives.

2.1.4 Serious and substantial waste

Serious and substantial waste is the loss or waste of Air Niugini's funds or resources.

2.1.5 Breaches of any Law or Internal Policy

A material or systemic breach of any applicable law, regulation, code, license or internal policy.

2.1.6 Other misconduct behaviour

Misconduct, in these circumstances, may include, but is not limited to:

- Unacceptable practices that do not reflect Air Niugini's values
- Irregularities or conduct of an offensive nature (e.g. verbal abuse, physical threat)
- Breach of PNG laws, including non-compliance
- Misrepresentation of facts
- Air Niugini policies and procedures
- Abuse of Delegated Authority
- Misuse or unauthorized use of Air Niugini assets
- Disclosure of confidential information to unauthorised parties
- Health and safety risks including risks to the public and employees
- Sexual harassment, or physical or sexual abuse of employees, customers and suppliers
- Unethical conduct (e.g., lying or providing false information)
- Serious failure to comply with appropriate professional standards
- Abuse of power, or use of Air Niugini's powers and authority, for any unauthorised use, or personal gain
- Breach of Code of Conduct
- Deliberate breach or misrepresentation of facts, including misreporting to statutory reporting authorities
- Deliberate breach of approved Air Niugini policy

2.2. Fraud Types

2.2.1 Internal (employee)

Air Niugini employees, temporary staff, contractors or service providers who commit fraud against Air Niugini or its customers. This also includes employees who:

- issue or make misleading financial statements with the intent to deceive the investing public and the external auditor; or
- engage in bribes, kickbacks, influence payments and illegal or immoral schemes for their benefit; or
- who conspires to commit same with one or more persons.

2.2.2. External

Customers or parties not employed by Air Niugini who commit fraud against Air Niugini or its customers.

2.3 Service Provider

Persons, contractors or organisations which provide services to Air Niugini under written business arrangements, non-disclosure and contractual agreements.





3. Policy Principles

The principles set the underlying intentions from which the following mandatory requirements, and associated documents, are derived.

- Fraud risks should be managed in accordance with the following requirements:
 - Air Niugini Code of Conduct;
 - Air Niugini Board Policies and Directives
 - Air Niugini Corporate Human Resource Management Manual
 - Air Niugini Finance Policy Manual
- Fraud risks should be managed at a level in line with business objectives.
- Policies and standards related to fraud must be set and managed at appropriate levels.





4. Policy Requirements

4.1 General Requirements

- Fraud risk must be managed by staff members at all levels;
- Air Niugini has Zero Tolerance for any form of fraudulent, corrupt or unethical behaviours by employees, contractors or service providers;

4.2 General Managers/Port Managers and Department Heads

- Must identify and assess fraud risks and take remedial actions where appropriate.
- Must implement and maintain adequate controls to address fraud and misconduct behaviours.
- Must protect all products and services reliant on Air Niugini's assets from unauthorised access, disruption and degradation by implementing and maintaining effective fraud measures.
- Must establish procedures for monitoring implementation of, and adherence to the Fraud and Whistleblower Policy;
- Must record all instances of non-adherence to the Policy, and report to Manager Employee Relations.

4.3 Employees, Temporary Staff, Contractors and Service Providers

- Must ensure that they are aware of their fraud prevention responsibilities and obligations.
- Must adhere to the relevant fraud standards, guidelines and procedures.

4.4 Whistleblower

Employees are encouraged to report to management when they believe someone is in breach of Air Niugini's policies, procedures and values.

4.4.1 Reward

Safeguarding the human and material assets of Air Niugini is a moral responsibility shared by all our employees and customers. Recognising that fraud causes a financial loss to Air Niugini, and will exercise its discretion in rewarding whistleblowers that have provided information that successfully prevents a fraud or helps identify those who have committed a fraud.

4.4.2 Contacts

Air Niugini has arrangements in place to receive phone calls and/or e-mails concerning suspected violations or wrongdoings. Anonymous reporting also can be via telephone or email to the following designated contacts:

In PNG:

- Mr. Kilembe Neimani, Manager Employee Relations – Human Resource Department at Air Niugini Head Office.

Email: kneimani@airniugini.com.pg

Telephone: Extension – 3699

- All Domestic Port Managers by respective ports.

In Australia:

- Regional Manager (Australia)

Mrs. Annemarie Rhodes

Email: managercnspx@bigpond.com

Telephone: (617) 40801600

In Solomon Islands:

- Country Manager – Solomon Islands

Ms. Leona Kilo

Email: lkilo@airniugini.com.pg

Telephone: (677) 25210

In Philippines:

- Manager Philippines

Ms. Theresa See

Email: tsee@airniugini.com.pg

Telephone (63) 917 531 0287

In Singapore:

- Manager Singapore

Ms. Lena Cheung

Email: airng_sg@airniugini.com.pg

Telephone (65) 9028 6067

4.4.3 Non Discrimination

No discriminatory action will be taken against any employee, who in good faith, reports a suspected violation of this policy or participates, in any subsequent investigation by Air Niugini.

“In good faith” means you genuinely believe wrongdoing has occurred.

Deliberately making a false report about an employee’s behaviour is a breach of this policy.

All such reports will also be investigated confidentially, consistent with a thorough and complete investigation, and remedied as appropriate.





5. Governance

5.1 Policy review

The Internal Audit Department will conduct a periodic review of the Fraud and Whistleblower Policy which will take into account business experience in implementing the policy and industry practice.

When reviewed, factors including, but not limited to the following should be considered:

- Matters reported to Executive Management: operational losses, significant control weaknesses and audit issues;
- Amendments to regulatory requirements/guidelines/standards;
- Industry events; and
- Development and release of enhanced monitoring mechanisms.



