

Code of Conduct

Lantern Hotel Group
(Comprising Lantern Hotel Group Limited and Lantern RE Ltd)
(Lantern or Group)

Adopted by the Board on 19 August 2016.

1. Introduction

1.1 Purpose of this code

Lantern is committed to and strives to act honestly and with integrity in all its dealings.

This code of conduct sets out the values, commitments, ethical standards and policies of Lantern and outlines the standards of conduct expected of our business and people, taking into account Lantern's legal and other obligations to its stakeholders.

The board of directors of Lantern (**Board**) has endorsed this code. The Board and management believe that Lantern's commitment to this code will maintain the confidence of Lantern's key stakeholders in Lantern's integrity.

1.2 Application of this code

This code applies to all directors of the Board, as well as all officers, employees, contractors, consultants, other persons that act on behalf Lantern, and associates of Lantern.

You are expected at all times to act consistently with the values, commitments and ethical standards as set out in this code of conduct.

It is essential that each of you is familiar with this code. Naturally, this code cannot cover every circumstance that you may face nor can it address every law, regulation or company policy that may apply to you. You are encouraged to obtain copies of the policies, standards and procedures relevant to your work. If you have any questions about your obligations or about Lantern's expectations, please speak with your manager or the Company Secretary.

2. Our ethical standards and policies

2.1 Conflicts of interest

A conflict of interest occurs if your loyalties are divided, for example if you or your family or friends have a personal or commercial interest which may interfere, or be

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perceived to interfere, with the performance of your duties and responsibilities to Lantern, making it difficult to perform your role objectively and effectively. The existence of a conflict of interest is not uncommon. What matters is how we manage the conflict.

To safeguard the confidence of Lantern's key stakeholders in Lantern's integrity, it is paramount that you do not allow personal interests or the interests of family or friends to conflict with the interests of Lantern. You must avoid participating in decisions and activities that may conflict, or be perceived to conflict, with your duties and responsibilities to Lantern.

You must not be involved in any other company or business or organisation as director, agent, employee or consultant, whether paid or unpaid, if there is a possibility that your personal interests could conflict, or be perceived to conflict, with those of Lantern unless you obtain approval first from your manager or the Company Secretary or the Board (if you are a director).

If you are involved in a conflict or possible conflict, or become aware of a conflict, you must tell your manager or the Company Secretary or the Board (if you are a director) as soon as possible.

2.2 Opportunities, benefits and ownership of work

You must not use Lantern's property (including intellectual property), information, your position or opportunities which arise from these to improperly gain benefit for yourself or for another party.

You have an obligation to avoid all financial, business and other arrangements which may be opposed to the interests of Lantern, or which may place you in a competitive position with Lantern.

The product of any work performed while you are with Lantern, or on behalf of Lantern, or using Lantern's property (including all intellectual property rights created in connection with that work) belongs to Lantern.

2.3 Anti-bribery and gifts

A number of countries, including Australia, have strict laws against bribery and corruption. The anti-bribery laws of some countries including Australia, the United States and United Kingdom can apply to things done in other countries (i.e. wide-reaching extra-territorial effect). We must comply with and uphold all laws against bribery, corruption and related conduct applying to Lantern in all the jurisdictions where Lantern operates.

Accordingly, Lantern has a strict policy not to offer secret commissions or bribes to further its business interests. Depending on the circumstances, facilitation payments may breach anti-bribery laws.

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Naturally, you must not accept any money or opportunity or other benefit, which could be interpreted as an inducement, secret commission or bribe. Care must be exercised in accepting hospitality, entertainment or gifts over and above that required for the normal conduct of business or which may compromise your impartiality.

We are committed to adopting effective systems to counter bribery and related improper conduct and to monitoring and enforcing these systems. From time to time, we may issue further guidance regarding what is acceptable in the normal course, what you can do with senior manager or Board approval and what is prohibited.

For further information or clarification, seek advice from your manager, the Company Secretary, the Board (if you are a director) or other relevant advisor.

2.4 Confidentiality

In the course of Lantern's business, you will have access to business or personal information about the affairs of Lantern, its clients, customers, employees, suppliers and our business partners. It may include business strategies, marketing and sales plans, competitive analysis, financial plans and forecasts, customer or employee information, supplier information and pricing. Each of the parties expects the confidential nature of the information they have given in good faith to be respected.

You must keep confidential information acquired while you are with Lantern, or acting on behalf of Lantern, confidential, even after you leave or cease your engagement with Lantern.

You must not access or request or make improper use of or transfer or disclose confidential information to anyone else except as required by your position or as authorised or legally required. If it inadvertently comes into your possession it should be returned immediately.

If you are required by an authority to provide confidential information, which has not been otherwise authorised, you must notify the Company Secretary.

2.5 Privacy

You must respect and safeguard the privacy of personal information held by Lantern regarding its clients, customers, suppliers, employees and others. If you have access to this information, you must ensure that it is collected, kept, disclosed, handled and used in a manner that complies with the Privacy Act (Cth) 1998, any other privacy and data protection laws that may apply and the company policy on privacy.

2.6 Fair dealing

You must treat each other and all suppliers, competitors, clients, customers and other stakeholders fairly and with respect.

Lantern is committed to ensuring a diverse work environment in which everyone is treated fairly and with respect and where everyone feels responsible for the

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reputation and performance of Lantern. For further information, see Lantern' diversity policy.

Applicants for employment are evaluated by Lantern on merit in accordance with their skills, qualifications and abilities, and having regard to Lantern' operational needs.

Lantern is committed to ensuring the highest quality of service is provided to its customers and clients at all times. Lantern makes decisions regarding suppliers and contractors on merit and a commercial basis.

Lantern collects information about its competitors and others in a lawful manner.

2.7 Discrimination, bullying, harassment and vilification

Discrimination, bullying, harassment or vilification in the workplace will not be tolerated by Lantern. Any such conduct will be dealt with in accordance with company policy.

2.8 Health and safety

Lantern is committed to ensuring the health and safety of its employees, consultants, contractors and visitors to its workplace and any other persons who Lantern works with, as required by law.

Company officers have additional due diligence health and safety obligations that they must comply with.

The use of alcohol and drugs may impair performance at work, have an adverse impact on productivity, and can pose a risk to health and safety. To assist with ensuring the safety of our workplace, the consumption of alcohol, and the use of any prescription drugs which may impair a person's ability to perform their work, or which pose a risk to their or others' health and safety, must be strictly in accordance with company policy.

Lantern will not tolerate the use of illegal drugs and improperly used prescription medicine on Lantern's premises or when performing work for Lantern, travelling on behalf of Lantern, attending work related functions or activities or conducting business on Lantern's behalf. The possession, use, sale or offering or distribution of illegal drugs or other controlled substances on Lantern's premises or while performing work for Lantern, conducting company business, travelling on behalf of Lantern or at work related functions or activities is forbidden.

The use of alcohol during business hours is not permitted unless it is a sanctioned work function or purpose.

It is important that we work together to create a safe and healthy workplace. If you know of or suspect any unsafe situations or conditions, please alert your manager or supervisor immediately.

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2.9 Protection of and use of Lantern' assets and property

You must protect Lantern's assets and property (including intellectual property) and ensure that Lantern's assets and property are used only for the benefit of Lantern's business. You must report any suspected or actual theft or fraud to your manager or the Company Secretary or any other contact nominated by Lantern.

You must not use Lantern's assets or property for personal purposes except in accordance with any company policy or approved arrangement.

You must return Lantern's assets and property immediately upon request Lantern. All expenses must be documented and reported in a timely manner.

2.10 Compliance with laws and regulations

Lantern is committed to complying with the laws and regulations of the countries in which we operate which relate to Lantern.

You must comply with all laws and regulations relating to Lantern, including document retention requirements. You must also comply with the technical and ethical requirements of any relevant regulatory or professional body. You must not breach, or omit to do something in breach of, any law or regulation or requirement. All actual or potential breaches must be reported immediately to the Company Secretary or your manager.

Where local laws, regulations or customs differ from this code, you must apply this code or local requirements, whichever sets the higher standard of behaviour.

Ignorance of the law or having a good intention does not excuse your obligation to comply. You must participate in relevant compliance training programs offered by Lantern.

If you are uncertain about the interpretation of any applicable law or regulation or requirement, contact your manager or the Company Secretary or a relevant advisor.

2.11 Responsibility to shareholders and the financial community

Lantern is committed to providing value to its shareholders and recognising the legitimate interests of other stakeholders. Lantern has policies regarding the timely provision of information to its shareholders and other stakeholders including posting information to its website. It has processes to ensure that the accounts and financial information it provides represent a true and fair view of the financial performance and position of Lantern.

You must fully cooperate with, and not make any false or misleading statement to, or conceal any relevant information from, Lantern's auditors.

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2.12 Insider trading

Insider trading laws prohibit a person in possession of material non-public information relating to a company from dealing in that company's securities. Insider trading is a serious offence under the Corporations Act.

Lantern's securities trading policy is available on Lantern's website. It provides guidance so that you do not deliberately or inadvertently breach the insider trading laws or Lantern's policy.

2.13 Whistleblower protection

You are encouraged to report any actual or suspected unethical behaviour including excess waste or breach of Lantern's codes and policies to your manager or the Company Secretary or any other contact nominated by Lantern. Matters raised will be investigated.

Lantern is committed to ensuring that you can raise concerns confidentially in good faith without being disadvantaged in any way to the extent that the law permits.

3. Breach of this code

The highest standards of corporate conduct are critical to Lantern's success and image. The values and policies in this code are not exhaustive. This code is designed to focus you on particular values identified by Lantern as central to its integrity.

Compliance with this code will be monitored and any known or suspected breaches of this code will be investigated.

If a breach is found to have occurred, you may face legal or disciplinary action including termination of employment.

4. Administration

4.1 Where can I obtain further information?

If you require further information or assistance, or are uncertain about the application of this code or the law, please contact the Company Secretary.

4.2 Review and publication of this policy

The Board will review this code from time to time. This code may be amended by resolution of the Board.

A copy of this code will be available on Lantern's website. It will be distributed to all directors, employees and other persons as relevant. Key features will be published in the Corporate Governance Statement.