

WHISTLEBLOWERS POLICY

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PURPOSE

Whistleblowing is identifying and calling out misconduct and wrongdoing by others. For example, when you suspect dangerous, illegal, harmful or fraudulent activity is occurring.

Whistleblowing policies help deter wrongdoing, promote better compliance with the law and a more ethical culture by increasing awareness that there is a high likelihood that wrongdoing will be reported.

The purpose of this policy is to ensure eligible whistleblowers, and those who may be involved in an investigation, understand:

- The ways in which a whistleblower can make a protected disclosure of information.
- The protections which arise under whistleblower laws.
- Karndean's process for handling and investigating protected disclosures.
- Ensuring the fair treatment of the individuals involved.
- How whistleblowers will be supported and protected by Karndean.

OBJECTIVES

Karndean wants to know about any wrongdoing that a person becomes aware of or reasonably suspects in relation to Karndean and the conduct of its officer and employees. This policy sets out how protected whistleblowing disclosures can be made.

Karndean wants employees to know they can provide information on any concerns they have, understand where they can disclose their concerns, know what happens after they make a report, and ensure they feel safe in providing a report.

PROTECTED DISCLOSURES

The Corporations Act 2001 provides a consolidated whistleblower protection regime for Australia's corporate sector (Pt 9.4AAA). There are three requirements that must be satisfied for a person to make a protected disclosure and receive legal protections:

1. They are an eligible whistleblower;
2. They make their disclosure to an eligible recipient or certain other parties specified in the legislation i.e. the Australian Securities and Investments Commission (ASIC), the Australian Prudential Regulation Authority (APRA) or a legal practitioner; and
3. Their report contains information, based on reasonable grounds, about misconduct or improper state of affairs in relation to the company or a related body corporate.

If a disclosure meets all three criteria, it is a **protected disclosure**. If a disclosure does not meet these criteria, you are still encouraged to raise your concern with Karndean. However, only protected disclosures will receive the protections outlined in this policy.

WHO IS AN ELIGIBLE WHISTLEBLOWER?

An eligible whistleblower is an individual who is, or has been, any of the following in relation to Karndean:

- (a) An officer or employee (e.g. current and former employees who are permanent, part-time, fixed-term or temporary, interns, secondees, managers, and directors);
- (b) A supplier of services or goods to Karndean (whether paid or unpaid), including their employees (e.g. current and former contractors, consultants, service providers and business partners);
- (c) An associate of Karndean; and
- (d) A relative, dependent or spouse of an individual in (a) - (c) above (e.g. relatives, dependents or spouse of current and former employees, contractors, consultants, service providers, suppliers and business partners).

WHAT MUST A PROTECTED DISCLOSURE BE ABOUT?

All staff should have the chance to speak up anonymously when they feel we are not adhering to our corporate values. They should have a place to disclose misconduct, knowing every eligible disclosure will be heard and acted on, handled confidentially, and we will investigate and make improvements based on the results and provide feedback when appropriate.

Anonymous Reporting

Staff have a right to report anonymously and Karndean will ensure they are not subject to any retaliation or other abuse because of a report.

This policy is available to all staff on the staff intranet and provided to new staff during induction. Other eligible whistleblowers can access this policy on the Karndean website.

Periodic refresher training will be provided to all employees - at least every 2 years. More detailed training is provided to staff with specific responsibilities under the policy.

Employees can seek confidential information on the operation of this policy and how a disclosure will be handled, without making a disclosure, by speaking to the Whistleblower Protection Officer. The Karndean Whistleblower Protection Officers are the Head of Human Resources and the Human Resources Coordinator.

If you require legal advice with respect to your obligations under this policy or the whistleblower laws, then you must contact an external lawyer, at your own expense.

Disclosable Conduct

For a disclosure to be a protected disclosure, one of the requirements is that the person making the report has reasonable grounds to suspect that misconduct has occurred or is occurring. Generally, misconduct includes any conduct that an eligible whistleblower has reasonable grounds to suspect:

- Is about misconduct or an improper state of affairs or circumstances concerning Karndean;
- Indicates that Karndean or any of its officers or employees have engaged in conduct that:
 - involves a breach of the law;
 - indicates a systemic issue that a regulator should know about to properly perform its functions;
 - indicates a significant risk to public safety or the stability of, or confidence in, the financial system, even if it does not involve breach of a particular law;
 - is indicative of dishonest or unethical behaviour or practices that may cause consumer harm.

These matters are referred to as “**disclosable conduct**” in this policy. Examples of disclosable conduct include:

- Illegal conduct, such as theft, dealing in, or use of illicit drugs, violence or threatened violence, and criminal damage against property;
- Fraud, money laundering or misappropriation of funds;
- Endangering occupational health and safety;
- Offering or accepting a bribe;
- Financial irregularities;
- Information that indicates a significant risk to public safety or the stability of, or confidence in, Karndean’s financial system;
- Failure to comply with, or breach of, legal or regulatory requirements;
- Breaching environmental and/or social practices. Social practices may include inappropriate types of client entertaining;

- Engaging in or threatening to engage in detrimental conduct against a person who has made a disclosure or is believed or suspected to have made, or be planning to make, a disclosure.

What is not Disclosable Conduct

Matters that relate solely to personal work-related grievances do not qualify for protection under the whistleblower laws or this policy.

Personal work-related grievances typically relate to an individual's current or former employment arrangements, performance, remuneration outcomes or personal circumstances that do not have significant implications for the organisation. Examples of personal work-related grievances include:

- An interpersonal conflict between employees.
- A decision relating to an employee's employment or engagement, such as a transfer, promotion, or disciplinary action that does not breach workplace laws.

Personal work-related grievances should be internally raised using Karndean's Grievance Policy and Procedure. However, sometimes a disclosure of personal work-related grievance may be a protected disclosure if, in summary:

- It includes information about misconduct, or information about misconduct includes or is accompanied by a personal work-related grievance.
- Karndean has breached employment or other laws, engaged in conduct that represents a danger to the public, or the disclosure relates to information that suggests misconduct beyond the discloser's personal circumstances.
- The discloser suffers from or is threatened with detriment for making a disclosure.
- The discloser seeks legal advice or legal representation about the operation of the whistleblower protections under the Corporations Act.

Please note that such disclosures may be protected under other legislation, such as the Fair Work Act 2009, please speak with Human Resources for more information.

HOW TO MAKE A DISCLOSURE

Karndean encourages reports of actual or suspected disclosable conduct to be made as soon as possible. If an eligible whistleblower would like to make a report, they have different channels available where they can do this.

You are encouraged to make your report to Karndean's appointed Whistleblower Protected Disclosure Officers (Karndean Head of Human Resources and Human Resources Coordinator) who can be contacted on:

- Reporting via mobile +61 (0) 421 270 076 or +61 (0) 413 444 816
- Reporting via email whistleblower@karndean.com.au

Alternatively, you may make a report using our whistleblowing service, *Your Call*. Your Call is an external, independent provider that provides confidential reporting of whistleblower concerns related to this policy. Reporting to Your Call also enables your report to be made anonymously if you choose to do so. You can make a whistleblower report to Your Call:

- Online: <https://www.yourcall.com.au/karndean>
- By phone using Your Call's external reporting hotline: in Australia 1300 790 228 and in New Zealand 0800 123 508 (7am to midnight AEST on business days).

If you are deaf or have a hearing or speech impairment, you can contact Your Call online. If you would like to contact Your Call by phone, you can do so through the National Relay Service. Choose your contact method at www.relayservice.gov.au and request Your Call's hotline 1300 790 228 (Australia) or 0800 123 508 (New Zealand).

How Your Call Works

Your Call uses an online message board which you will have access to after making the report. The message board allows you to:

- Communicate with Your Call and Karndean with or without revealing your identity;
- Securely upload any relevant documentation and/or material that you wish to provide;
- Receive updates; and
- Request support or report detriment.

Your Call will provide the Karndean Whistleblower Protection Officers with a copy of your report and any relevant documents or records provided by you to Your Call. If your report relates to a Whistleblower Protection Officer, Your Call will exclude that person from all communications when Your Call provide information about your report to us.

You can also make a report to one of the eligible recipients listed below:

- (a) An officer or senior manager of Karndean as defined by the Corporations Act;
- (b) A director or company secretary;
- (c) Karndean's internal or external auditor (or a member of that audit team);
- (d) ASIC (Australian Securities and Investments Commission);
- (e) APRA (Australian Prudential Regulation Authority); or
- (f) A legal practitioner for the purpose of obtaining legal advice or legal representation in relation to the operation of the whistleblower provisions in the Corporations Act.
- (g) In limited circumstances, you can also make an emergency disclosure or public interest disclosure to a member of parliament or a journalist. This is the disclosure of information to a journalist or parliamentarian, where the disclosure has reasonable grounds to believe that the information concerns a substantial and imminent danger to the health or safety of one or more persons or to the natural environment; or is in the public interest. Before you make any such disclosure you should seek independent legal advice, at your own expense, to understand the criteria for making such a disclosure and to ensure that the legal protections will apply.

Where to Obtain Further Information

Employees can seek confidential information on the operation of this policy and how a disclosure will be handled, without making a disclosure, by speaking to a Whistleblower Protection Officer.

Anonymous Reports

An eligible whistleblower can remain anonymous when making a Protected Disclosure. There is no requirement to provide their name or identify themselves at any stage during the reporting or investigation process or after the investigation is finalised. A person can also decide not to answer questions that they feel may reveal their identity. They can also choose to provide their identity to the person that they are making the report to but not consent to them sharing their identity with anyone else.

PROTECTION AND SUPPORT AVAILABLE TO WHISTLEBLOWERS

If a person makes a protected disclosure, they are entitled to certain protections in accordance with the Corporations Act. These protections apply regardless of whether the disclosure is made to one of Karndean's Disclosure Officers, Your Call or to another eligible recipient specified in this policy. The discloser can still qualify for protection even if their disclosure turns out to be incorrect.

The protections available to disclosers who qualify for protection as a whistleblower, including the protections under the Corporations Act, are:

- Identity protection (confidentiality);
- Protection from detrimental acts or omissions;
- Compensation and remedies; and
- Civil, criminal and administrative liability protection.

Protecting the Whistleblower's Identity

If a person makes a protected disclosure, their disclosure will be treated as confidential in accordance with legal requirements. It is illegal for a person to disclose the identity of the discloser or information that is likely to lead to identification of your identity, unless:

- The discloser gives their consent;
- The disclosure is required by law; or
- The disclosure is made to:
 - a professional legal advisor for the purpose of obtaining legal advice or representation; or
 - authorised regulatory bodies, such as ASIC, APRA or a member of the Australian Federal Police.

However, a person who is dealing with a protected disclosure may disclose information that is reasonably necessary for the purposes of investigating the report, provided that the information does not include the discloser's identity. If this happens, reasonable steps will be taken to reduce the risk that the discloser will be identified as a result of the report (for example by removing personal information or other details that are likely to identify the discloser).

To maintain confidentiality of a Whistleblower's identity, Karndean will:

- Ensure personal information or references to the whistleblower's identity is redacted in all investigation and reporting documents;
- Refer to the whistleblower in gender-neutral terms;
- Where possible, contact the whistleblower to help identify certain aspects of their disclosure that could inadvertently identify them;
- Ensure that the information a Whistleblower provides and all materials relevant to a protected disclosure are held securely with access limited only to the individuals necessary to investigate the protected disclosure, and to support and protect the Whistleblower; and
- Take reasonable steps to ensure its staff understand the requirements of this policy.

Other Protections

There are additional protections given by the Corporations Act when an eligible whistleblower makes a protected disclosure. They are:

- The whistleblower is immune from any civil, criminal or administrative legal action (including disciplinary action) for making the disclosure. However, the discloser can still be pursued for having made a false disclosure and in connection with the

discloser's own conduct which is revealed by the matters highlighted in the disclosed information (i.e. the discloser's own conduct in the misconduct, improper affairs or other circumstances which are revealed by the protected disclosure);

- No contractual or other remedies may be enforced, and no contractual or other right may be exercised, against the Whistleblower for making the report;
- In some circumstances, the reported information is not admissible against the Whistleblower in criminal proceedings or in proceedings for the imposition of a penalty;
- Anyone who causes or threatens to cause detriment to a Whistleblower or another person in the belief or suspicion that a disclosure has been made, or may have been made, proposes to or could be made, may be guilty of an offence and may be liable for damages.
- Protections are also provided in the tax whistleblowers regime of the Taxation Administration Act 1953 with further details on the Australian Taxation Office (ATO) website.

False Reporting

If it is known that a discloser has made a false report of Reportable Conduct, being one which is raised other than in good faith and which raised a matter which they know or believe to be untrue, then this will be regarded as misconduct by the discloser and will be dealt with through the Discipline Policy or Grievance Policy and Procedure.

HOW KARNDEAN HANDLES PROTECTED DISCLOSURES

Every disclosure, whether protected or not, will be acted upon, although the process for doing so will vary. Karndean will need to assess each disclosure to determine whether:

- (a) There are reasonable grounds to suspect misconduct;
- (b) It qualifies for protection; and
- (c) A formal, in-depth investigation is required.

Investigation Process

It is important for Karndean to be transparent with employees and outline what is the process for us to investigate a disclosure submitted through our whistleblowing channels.

Any person who receives a whistleblower report made under this policy must ensure that the report is managed in compliance with this policy and procedure. This is to ensure that the protections available for the Whistleblower are not compromised and that Karndean meets its legal obligations.

How are Reports of Wrongdoing Investigated?

- (a) Reports of alleged wrongdoing made in accordance with this policy will be treated seriously and where appropriate will be thoroughly investigated by Karndean in accordance with this policy.
- (b) After receiving a report about a wrongdoing we will assess the information provided to determine whether it is a Protected Disclosure, how it will be handled and whether an investigation is required. The precise steps to be taken to investigate a report will differ in individual cases but may include:
 - i. Determination of the nature and scope of an investigation;
 - ii. Appointment of an internal or external investigator (if it has been determined that an investigation is required), who is able to conduct the investigation in a fair, objective and independent manner;
 - iii. The investigator or other person asking the whistleblower whether they consent to their identity being disclosed to investigate the report;

- iv. Interviewing the Whistleblower and any other relevant person to obtain information about the report;
- v. Determination of the nature of any technical, financial or legal advice that may be required to support the investigation;
- vi. Review of relevant documents and other information in relation to the report;
- vii. The investigator making findings regarding the conduct reported.

(c) Generally, if the Whistleblower can be contacted, we will confirm receipt of their disclosure as soon as reasonably practicable. The investigation of a Protected Disclosure will commence as soon as reasonably possible from the date we receive it. However, there may be reasons why an investigation may take longer. If we think there might be a delay with the investigation, we will tell the person who made the disclosure (where possible).

(d) Where possible and assuming that the identity of the Whistleblower is known, the Whistleblower will be kept informed of when the investigation process has begun, while the investigation is in progress and after the investigation has been finalised, subject to confidentiality and privacy considerations.

Karndean may decide to take action in response to any findings which may include, but is not limited to, disciplinary action, reporting the matter to an appropriate regulator, conducting training or addressing procedural and policy deficiencies.

What if the Discloser is not Satisfied with the Result?

If, after receiving the summarised feedback of the investigation, the discloser is not satisfied with the result, they can escalate this to the Karndean Managing Director. The discloser is recommended to provide this escalation in writing so a formal review can take place. While the Managing Director commits to review the request, Karndean is under no obligation to reopen the investigation. If the Managing Director concludes the investigation was conducted properly and no new information exists that would change the results, the investigation will be concluded.

Record Keeping

Karndean maintains a record of all reports of Reportable Conduct received, the investigation process undertaken and actions taken to resolve the manner through a Whistleblower Register.

All information, documents, records and reports relating to the investigation of reported conduct are confidentially stored and retained in an appropriate and secure manner.

Anonymity

After submitting a report, the following practices around anonymity are in place to protect a discloser's identity.

The discloser has the right to remain anonymous and does not need to identify themselves at any time during the investigation process.

At no time will Karndean force the discloser to reveal their identity.

A discloser may adopt a pseudonym for the purpose of their disclosure.

The discloser can refuse to answer questions they feel could identify themselves. If the discloser reveals themselves at any time, Karndean will document who will have access to their identity. This may include the Whistleblower Protection Officer/s and investigator/s.

Protection from Detrimental Acts or Omissions

After receiving a disclosure, qualified staff will assess the risk of detriment against a discloser and other persons, advise the discloser regarding available support services and propose actions for protecting a discloser from risk detriment.

This could include reassigning the discloser to another role at the same level (if possible) or making modifications to the discloser's workplace location or the way they perform their duties.

- If detriment has already occurred, Karndean will investigate and address the detrimental conduct, such as by taking disciplinary action, or allowing the discloser to take leave during the investigation.
- Investigations will be conducted in a timely manner and the process may vary depending on the nature of the disclosure.
- A discloser will be provided with regular updates, if the discloser can be contacted (which may include via anonymous channels). The frequency and timeframe may vary depending on the nature of the disclosure. There may be circumstances where it may not be appropriate to provide details of the outcome to the disclosure.

Separation of Issues

Karndean is still able to raise with a discloser any issues related to work or performance related issues. While Karndean will protect the discloser from any retaliation, it is also important that they are still effective in their job.

Karndean can still raise any performance or contract issues with the discloser as long as they are kept separate and not influenced at all from any reports that have been made.

Legislative/Regulation Protection and Assistance

If in any jurisdictions or locales where Karndean operates has whistleblowing protection laws that provide a higher level of protection than what is included in this policy, the local legislation will take precedence.

Changes to Karndean's Whistleblowing Policy

From time to time, this policy will need to change to keep up with our values, best practices, improvements, as well as legislation and regulations. Any changes to this policy will be communicated with all staff and any relevant stakeholders.

Karndean will review its whistleblower policy, processes and procedures on a periodic basis, at least every two years, or as required to reflect changes in operations or legislation requirements. All material changes will be reviewed and approved by the Karndean Board.

RESPONSIBILITIES

It is the responsibility of Management (including Line Managers) to ensure that:

- Employees are aware of this policy and know and understand the whistleblowing process.
- Maintain confidentiality if they are aware of or included in any disclosures.

The Whistleblower Protection Officers are responsible for:

- Establishing and maintaining the whistleblower service.
- Coordinating and supporting any investigations.
- Communicating this policy and the whistleblower service details to staff.
- Otherwise ensuring maintenance and adherence to the policy.
- Protecting or safeguarding disclosers.
- Ensuring the integrity of the reporting mechanism.

The Whistleblower Investigation Officer is responsible for:

- Investigating disclosures in accordance with this policy and procedure.

Reporting to the Karndean Board of Directors

The Karndean Board is updated every quarter on Karndean's whistleblowing program, inclusive of reports, investigations, and results. Reports or investigations of significance will be reported to the Board outside of the quarterly updates. The Board at any time can ask about anonymous reports, investigations, as well as the state of Karndean's whistleblowing program.

The Whistleblower Protection Officers will submit an annual summary report to the Board which provided details of:

- The number of reports received;
- For each report the type of misconduct alleged and the level of seniority of the alleged wrongdoer and the level of perceived risk;
- For each report the time taken to investigate it; and
- The conclusion of each investigation (upholding or dismissing the report) and the nature of the action taken, such as disciplinary action.

The Chair of the Board shall periodically review the Whistleblower Register, which captures information on the reports received, to ensure that proper processes are being followed, themes and trends. Identities of disclosers are not included.

Karndean's whistleblowing program responsibility resides with the Board.

RELATED DOCUMENTS

- Employee Code of Conduct
- Workplace Behaviour Policy
- Privacy Policy
- Grievance Policy and Procedure