



Whistleblower Policy

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1 Purpose and Scope

The Salmat Board and Senior Leadership Team has adopted a strict 'zero tolerance' policy in relation to Fraud and Corruption within the Group. Such a policy has always been a feature of a company which regards the maintenance of strict standards of honesty as essential to the interests of all its stakeholders, whether they be shareholders, employees or customers. In keeping with these standards of honesty, we actively encourage everyone in the business to challenge any behaviour that they believe is inconsistent with any of our Values, our Workplace Conduct and Performance Policy, and this Policy.

The Board of Directors is the governing body of Salmat Limited. Recognising the expectations of Salmat's shareholders, employees, customers, regulators and the community, the Board is committed to best practice in corporate governance, compliance and ethical behaviour generally. One of the principal responsibilities of the Board includes monitoring compliance with regulatory, ethical and prudential requirements. This Policy is an integral part of Salmat's compliance program.

This Policy has been established to:

- encourage the reporting of Improper Conduct so that systemic and serious issues can be raised promptly and effectively addressed;
- provide guidance on a process to enable such reporting;
- ensure that Salmat protects individuals who report such behaviour;
- ensure more effective compliance with relevant legislation;
- ensure a healthier and safer work environment through the reporting of unsafe practices;
- ensure that Salmat is meeting its obligations under the current statutory Whistleblower regime;

(Treasury Laws Amendment (Enhancing Whistleblower Protections) Bill 2018 (Act) provides for an expanded corporate whistleblowing scheme and a new tax affairs whistleblowing scheme and take effect from 1 July 2019. The amended laws apply to Protected Disclosures even if the disclosed conduct occurred before the commencement date.)

2 Application

This policy applies to all employees and independent contractors of Salmat Limited and all Salmat Group entities. Where the word 'Salmat' is used, it applies equally to Salmat Group entities.

Where the word 'employee(s)' is used, for the purposes of this policy it applies equally to independent contractors and their staff.

3 Eligible Whistleblowers

Salmat is committed to making this whistleblowing policy available so that concerns regarding any serious wrongdoing (including unethical, illegal or other inappropriate conduct) can be reported and addressed.

Anyone who is or has been:

- an employee, director or officer of Salmat;
- a contractor(including employees of contractors) of Salmat;

- a supplier (including employees of a supplier) to Salmat;
- a consultant to Salmat;
- an associate of Salmat;
- a relative or dependent of any of the above categories of persons;

will be an Eligible Whistleblower for the purposes of this policy and qualify for protection when making a disclosure in relation to Improper Conduct.

There is no requirement for a Whistleblower to disclose their identity in order to receive protection.

4 Responsibility to Report

Management is responsible for the detection and prevention of Improper Conduct. Each member of management will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

All employees have a responsibility to report suspected Improper Conduct.

Group Reporting and Audit Manager is responsible for coordinating Improper Conduct investigations and for reporting these to the Board Audit Risk and Compliance Committee.

5 What is Improper Conduct?

For the purpose of this policy, Improper Conduct is defined as any of the following:

- Fraud;
- Corruption;
- Misconduct; or
- An improper state of affairs or circumstances.

5.1 Fraud

For the purpose of this policy, fraud is defined as: “dishonest activity causing actual or potential financial loss to any person or entity including, but not limited to, theft of monies or other property by employees or persons external to the entity and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position.”

Actions Constituting Fraud

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- any dishonest or fraudulent act;
- forgery or alteration of any document or account belonging to Salmat;
- misappropriation of funds, securities, supplies, or other assets;
- impropriety in the handling or reporting of money or financial document;

- profiteering as a result of insider knowledge or company activities;
- disclosing confidential and proprietary information to outside parties;
- accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to Salmat;
- customers or parties not employed by Salmat who commit Fraud or Corruption against Salmat or its customers;
- destruction, removal or inappropriate use of records, furniture, fixtures, and equipment;
- any similar or related inappropriate conduct.

5.2 Corruption

For the purpose of this policy, Corruption is defined as: “dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.”

This includes the offering or accepting of bribes.

5.3 Misconduct

For the purposes of this Policy, Misconduct may include but is not limited to:

- fraudulent/dishonest behaviour;
- unethical conduct (including anything that would breach the Salmat Code of Ethics);
- mismanagement of Salmat resources;
- any conduct or activity that poses a serious risk to the health and safety of any person at the workplace;
- a breach of any legislation or regulations relating to Salmat’s operations or activities;
- illegal activities (including theft, dealing in or use of illicit drugs, violence or threatened violence and criminal damage against property);
- any activity that causes a risk or harm to the environment ;
- behaviour that is oppressive, discriminatory or grossly negligent ;
- a failure to abide by Salmat policies and procedures;
- any conduct that could bring Salmat into disrepute or which damages or has the potential to damage the reputation of Salmat.

5.4 Improper state of affairs or circumstances

For the purposes of this policy, an improper state of affairs or circumstances includes:

- a contravention of the *Corporations Act*, *ASIC Act*, *Banking Act*, *Financial Sector (Collection of Data) Act*, *Insurance Act*, *Life Insurance Act*, *National Consumer Credit Protection Act*, *Superannuation Industry (Supervision) Act*; or
- an offence against any other law of the Commonwealth that is punishable by imprisonment for a period of 12 months or more; or
- something which represents a danger to the public or the financial system.



Personal work-related grievances were previously protected under the regime. A disclosure of a personal work-related grievance is only protected if the disclosure concerns alleged victimisation or the disclosure is made to a legal practitioner for the purposes of obtaining legal advice or legal representation in relation to the operation of the Whistleblower provisions.

6 Must have reasonable grounds

A disclosure may have serious consequences, including potential damage to the career prospects and reputation of people who are the subject of allegations of wrongdoing. For this reason a Whistleblower must have **reasonable grounds** to suspect Improper Conduct in relation to Salmat.

7 Who is an Eligible Recipient of a Disclosure?

For a disclosure to be a Protected Disclosure, it must be made to people or entities eligible to receive them, as set out below.

An Eligible Recipient in relation to Salmat includes:

- An officer or senior manager of Salmat;
- An auditor or any member of the audit team;
- The individuals authorised by Salmat to receive disclosures and set out in the table below.



As of 1 July 2019, a whistleblower's supervisor or direct manager is no longer an eligible recipient.

Salmat has identified the following individuals as eligible recipients of a disclosure regarding Improper Conduct. Salmat requires that all disclosures be treated with the utmost seriousness and would encourage employees to report Improper Conduct to either one of the listed Salmat representatives or via the STOPline (details set out below).

Role and Name	Contact details:
Michele Hazell (Group Reporting and Audit Manager)	Email: michele.hazell@salmat.com.au M +61 424856656 T 61291578810
Carlie Pilling (Senior Manager - People)	Email: carlie.pilling@salmat.com.au M +61 427006109
Matthew Carracher (General Manager - Marketing Solutions)	Email: matthew.carracher@salmat.com.au M +61 402909880

A Protected Disclosure may be made via the STOPline (anonymously and confidentially if the Whistleblower chooses). Group Reporting and Audit Manager, is also primarily responsible for receiving information (via the STOPline) and protecting an individual within the meaning of this policy.

STOPline contact information

Telephone	1300 30 45 50 (for Australia) 61 3 9811 3275 (overseas - reverse charges)
Mail	Salmat Case Manager c/o The STOPline LOCKED BAG 8 HAWTHORN VIC AUSTRALIA 3122
Email	rightthing@stopline.com.au
Website	www.rightthing.stoplinereport.com
Facsimile	Attention Salmat Case Manager c/o The STOPline 61 3 9882 4480

Whistleblowers can also make Protected Disclosures to:

- ASIC;
- APRA;
- the Australian Federal Police;
- a Legal Practitioner for the purpose of obtaining legal advice about the operation of the whistleblowing protections .

8 Public Interest and Emergency Disclosure

There are two categories of disclosures to protect Whistleblowers who report a member of the Parliament of the Commonwealth, the Parliament of a State or the legislature of a Territory; or a journalist.

A public interest disclosure can be made to a journalist or parliamentarian if;

- the Whistleblower has previously made a Protected Disclosure to a regulator and at least 90 days have passed;
- the Whistleblower has reasonable grounds to believe that action is not being, or has not been taken to address the disclosure;
- the Whistleblower has reasonable grounds to believe that making a further disclosure would be in the public interest;
- the Whistleblower has given written notification to the authority that they intend to make a public interest disclosure

- the extent of the information disclosed is no greater than necessary to inform the recipient of the misconduct or improper state of affairs to which the first disclosure related.

An emergency disclosure can be made when;

- The Whistleblower had reasonable grounds to believe the information disclosed concerns a substantial and imminent danger to the health and safety of one or more persons, or the natural environment;
- The individual has previously made a disclosure to an eligible recipient and the Whistleblower has provided a written notification that he or she intends to make an emergency disclosure.

9 Notification and Investigation Process

The Group Reporting and Audit Manager will receive information regarding Protected Disclosures under this policy from one of three sources:

- A Protected Disclosure directly from an Eligible Whistleblower;
- A Protected Disclosure from an Eligible Recipient;
- A Protected Disclosure via the STOPline (anonymously and confidentially if the Whistleblower chooses).

The Group Reporting and Audit Manager will maintain a record of all Protected Disclosures received and the action taken. If the Group Reporting and Audit Manager judges the Protected Disclosure to be of significance, appropriate action will be instigated immediately.

If the action to be taken takes the form of an investigation, it must be demonstrably fair, independent and comprehensive.

The Group Reporting and Audit Manager will immediately advise the Chief Financial Officer or the Chief Executive Officer of significant Protected Disclosures and provide regular updates.

The outcomes of any investigations of significant issues together with any recommendations will be provided to the Chief Executive Officer, Chief Financial Officer and the Chairman of the Audit, Risk and Compliance Committee.

A staff member who is the subject of a Protected Disclosure (the respondent) may not be informed of the matter until the Group Reporting and Audit Manager has completed a relevant and appropriate inquiry. In the interests of natural justice, this person/s will have the right to make submissions before any final determination is made.

The Group Reporting and Audit Manager will report to each Audit Risk and Compliance Committee on significant Protected Disclosures made, investigations undertaken and subsequent action taken to address each Protected Disclosure received.

10 Protection of Whistleblowers

10.1 Detrimental action

The Whistleblower shall not be subject to any detrimental action or victimisation as a result of making a Protected Disclosure. Detrimental action includes any action (actual or threatened) against the Whistleblower (or a person who may be a whistleblower), their family, associates or colleagues with respect to adverse or inappropriate physical,

psychological, financial or employment related behaviour. The failure to comply with these obligations may result in fines, penalties and imprisonment.

- Criminal penalty - up to 2 years imprisonment, a fine or both;
- Civil penalty - up to \$1.05M (or three times the benefit derived or detriment avoided) for individuals and \$10.5 M (or three times the benefit derived, or detriment avoided, or 10% of annual turnover) for corporations.

Whistleblowers who are victimised as a result of their disclosure with threats, harassment or disciplinary action, termination or any other kind of detriment may be entitled to court ordered compensation and if they have been fired, reinstatement.

10.2 Whistleblowers implicated in Improper Conduct

Salmat acknowledges that the act of whistle blowing should not shield Whistleblowers from the reasonable consequences flowing from any involvement in Improper Conduct. A person's liability for his or her own conduct is not affected by the person's disclosure of that conduct. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

10.3 Whistleblower's confidentiality

During any investigation, Salmat will take all reasonable steps to protect the identity of the Whistleblower. Salmat recognises that maintaining confidentiality is crucial in ensuring reprisals are not made against a Whistleblower.

In addition, the company will provide confidential means for an employee to make Protected Disclosures without revealing their identity (via the STOpline, an independent and confidential service available to receive information relating to improper conduct, unlawful or unethical behaviour).

Salmat acknowledges that it is an offence for the original recipient of a Protected Disclosure to disclose the identity of a Whistleblower (without their consent) subject to the following limited exceptions:

- The information can be passed to ASIC, APRA or the Federal Police;
- The information can be disclosed to a legal practitioner for the purpose of obtaining legal advice or representation in relation to whistleblowing protection provisions; or
- Information that is likely to lead to the identification of the discloser (but not the identity) can be disclosed if it is reasonably necessary for the purposes of investigating the matter and all reasonable steps are taken to reduce the risk that the discloser will be identified.

The failure to protect a Whistleblower's identity may result in fines, penalties and imprisonment.

- Criminal penalty - up to 6 months imprisonment, a fine or both;
- Civil penalty - up to \$1.05M (or three times the benefit derived or detriment avoided) for individuals and \$10.5 M (or three times the benefit derived, or detriment avoided, or 10% of annual turnover) for corporations.

Information given in a disclosure is not admissible in evidence against a Whistleblower in criminal or civil proceedings, other than when the information might be false.

10.4 Support systems

If deemed appropriate, a Welfare Manager from the People team will be appointed to support the Whistleblower. Additionally or alternatively, the Whistleblower may choose to use Salmat's independent Employee Assistance Program.

The Group Reporting and Audit Manager or STOPline will ensure that in circumstances where a response is determined to be required or appropriate, the Whistleblower is kept informed of action taken in relation to his or her disclosure where the identity of the Whistleblower is known or contact can be made.

11 General Reporting

Each quarter a report is made to the Audit, Risk and Compliance Committee summarising the Whistleblowing activities for the period. This report may be used to make general proposals to improve the compliance culture of Salmat. The Audit Risk and Compliance Committee presents this report to the Board.

12 Communication of the Policy

This Policy may be accessed from Salmat's public website www.salmat.com.au and the company intranet. Both sites include links to STOPline. Eligible Recipients receive periodic training to ensure they understand their obligations under the Policy and all Salmat employees (excluding contractors) complete annual online training in connection with their whistleblowing rights and obligations.

13 Review of the policy

This policy will be reviewed at least every two years by the Audit, Risk and Compliance Committee of the Company to ensure it complies with relevant laws and remains relevant and effective.

Document Revision History

The version number of this document is incremented with each change and the entire document is reissued as tabulated below.

Version	Description of Change	Name of Reviewers	Issue Date
1.0	First draft	Karen Lupton	15 May 2019
1.1	Minor revisions & corrections	Karen Lupton	4 June 2019