



Whistleblower Policy

Lonsec Group

Effective Date 20 | 12 | 2019

Contents

01	What is this policy about?	2
1.1	Background.....	2
1.2	Purpose	2
1.3	Objective	2
1.4	Scope	2
1.5	Definitions.....	2
02	Who is a whistleblower?	3
2.1	Your Role.....	3
2.2	How do I make A Disclosure.....	3
2.3	The subject of your disclosure.....	4
2.4	Emergency Disclosures and Matters of Public Interest.....	4
03	Protections	4
3.1	Protection of your information	5
3.2	Protection against detriment	5
3.3	Protection against legal action.....	5
3.4	What may not be covered	6
3.5	Compensation and other remedies	6
04	Managing the Welfare of the Whistleblower	6
05	Roles and Responsibilities of Whistleblowers	7
06	Investigating and Recording Disclosures.....	7
07	Access and Review of this Policy.....	8

01 What is this policy about?

1.1 Background

Whistleblower's play an important role in identifying and calling out misconduct and harm to consumers and the community. The Corporations Act (2001) (**Act**) ensures Whistleblower's are afforded their legal rights and protection.

1.2 Purpose

Lonsec Group is committed to a culture of corporate compliance and has developed policies to ensure our staff have high standards of conduct and demonstrate ethical behaviour in all of our business activities. This Whistleblower Policy (Policy) has been adopted to provide an additional way for all Lonsec Group staff to raise concerns regarding actual or suspected contravention of our ethical and legal standards without fear of reprisal or feeling threatened by doing so.

1.3 Objective

The Objective of this Policy is to:

1. encourage Employees to disclose any malpractice, misconduct or conflicts of which they become aware;
2. provide protection for Employees who report allegations of such malpractice, misconduct or conflicts; and
3. ensure that all allegations are thoroughly investigated with suitable action taken where necessary.

1.4 Scope

This Policy applies to Lonsec Group's directors, officers, managers and Employees working for or at Lonsec Group.

1.5 Definitions

Compliance Committee means the Lonsec Group Committee of senior management which includes but is not limited to the Chief Executive Officer, Chief Financial Officer, Responsible Managers, Legal Counsel and Risk and Compliance Manager.

Employees includes all Lonsec Group employees, contractors and consultants.

Lonsec Group means Lonsec Holdings Pty Ltd and all its subsidiaries.

Eligible Recipient means any one of the following persons in receipt of a Whistleblowing report:

- a) a director, company secretary, company officer, or senior manager of Lonsec Group;
- b) an auditor, or a member of the audit team of Lonsec Group;
- c) an actuary of the company or organisation of Lonsec Group;
- d) a person authorised by the company or organisation to receive Whistleblower disclosures, the authorised persons include:
 - i. Risk and Compliance Manager
 - ii. General Counsel
- e) ASIC or any other regulatory body, or
- f) your lawyer.

Whistleblowing is defined for the purpose of this Policy as the deliberate, voluntary disclosure of individual or organisational malpractice by a person who has or had privileged access to data,

events or information about an actual, suspected or anticipated wrongdoing within or by an organisation that is within its ability to control.

Whistleblower for the purpose of this Policy means any current or former employee, director, related officer or contractor of the Lonsec Group, including their spouse, relative or dependent, who whether anonymously or not makes or attempts to make a disclosure as defined in Whistleblowing above.

Whistleblower Investigation Officer for the purpose of this policy is the General Counsel, and in their absence the Chief Finance Officer.

Whistleblower Protection Officer for the purpose of this policy is the Risk and Compliance Manager, and in their absence the Chief Finance Officer.

02 Who is a whistleblower?

To be entitled to the protections under the Act as an eligible whistleblower there are several requirements:

2.1 Your Role

You must be, or have been, any of the following in relation to the Lonsec Group:

- (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 the Lonsec Group (whether paid or unpaid), including their employees (e.g. current and former contractors, consultants, service providers and business partners);
- (c) an associate of the entity;
- (d) a relative, dependant or spouse of one of these individuals in for example a relative, dependant or spouse of current and former employees, contractors, consultants, service providers, suppliers and business partners

While you must hold or have held one of these roles to access the protections, you do not have to identify yourself or your role and you can raise your concerns anonymously.

2.2 How do I make A Disclosure

For the purpose of this Policy, you must make your Whistleblowing disclosure to an Eligible Recipient.

You can make your disclosure in writing by mail or email, or verbally in person or by telephone. Where verbal disclosure is made you may be requested to confirm the details and any supporting evidence in writing depending on the complexity of the matter.

Out of hours disclosures can be made to complaints@lonsec.com.au. If you require further information on how to make a disclosure contact the Lonsec Group Whistleblower Protection Officer.

Lonsec Group encourages whistleblowers to make a disclosure to one of the entity's internal Eligible Recipients in the first instance. Lonsec Group takes such disclosures very seriously and would like to identify and address wrongdoing as early as possible.

Visit asic.gov.au for more information on how to make a disclosure to an external party.

While you must make your disclosure to one of these people or organisations, you can raise your concerns anonymously however if you do not provide a method of on-going communication we will not be able to follow up with you for further information or tell you what steps may be taken based on the information you have provided.

2.3 The subject of your disclosure

You **must** have reasonable grounds to suspect that the information you are disclosing about Lonsec Group concerns:

- misconduct (including fraud, negligence, default, breach of trust or duty), or
- an improper state of affairs or circumstances.

This information can be about Lonsec Group or an officer or Employee of Lonsec Group, engaging in conduct that:

- breaches the Corporations Act;
- breaches other financial sector laws enforced by ASIC;
- breaches an offence against any other law of the Commonwealth that is punishable by imprisonment for a period of 12 months, or
- represents a danger to the public or the financial system.

Such conduct may include:

- illegal conduct such as theft, violence and damage to property;
- fraud, money laundering or misappropriation of funds;
- offering or accepting a bribe;
- financial irregularities;
- systemic failure to comply with legal or regulatory requirements; or
- 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.

'Reasonable grounds' means that a reasonable person in your position would also suspect the information indicates misconduct or a breach of the law.

You do not need to prove your allegations and you can still qualify for protection even if your disclosure turns out to be incorrect.

2.4 Emergency Disclosures and Matters of Public Interest

There are additional protections provided under the Act, if your concerns relate to matters in the public interest or an emergency.

Protection can also apply to you if you make a Whistleblower disclosure to a journalist or a member of a State, Territory or Commonwealth Parliament (parliamentarian). However, this is limited to certain circumstances and if you disclose your concerns to the public in another way, these protections may not apply. Visit asic.gov.au for more information and seek independent legal advice where appropriate.

03 Protections

You will not be discriminated against or disadvantaged in your employment with the Lonsec Group for making a Whistleblower disclosure in accordance with this Policy, nor will you receive reprisals due to your actions.

The Lonsec Group will take all reasonable steps to ensure that adequate and appropriate protection is being provided for those who, in good faith, make a disclosure.

This protection applies if the matter is proven or not, regardless of whether it is reported to an external authority.

3.1 Protection of your information

You can ask Lonsec Group to keep your identity, or information that is likely to lead to your identification, confidential. However, Lonsec Group may report the information to ASIC, the Australian Federal Police or to a lawyer for advice about the Whistleblower protections.

Lonsec Group cannot release your identity without your consent.

During the investigation of the concerns raised in your disclosure, Lonsec Group must take reasonable steps to ensure that information likely to lead to your identification is not disclosed without your consent.

It may prove difficult for the Lonsec Group to carry out a thorough investigation or to internally address or correct the misconduct unless you provide some approval to use your information.

If the confidentiality of your identity has not been maintained, then you can make a complaint to the Whistleblower Protection Office or external regulatory body such as ASIC. Visit asic.gov.au for more details.

3.2 Protection against detriment

It is a criminal offence under the Act for someone to cause or threaten detriment to you because they believe or suspect that you have made, may have made, or could make a Whistleblower disclosure.

The criminal offence (which attracts civil penalties) can apply even if you have not made a Whistleblower Disclosure but the offender causes or threatens detriment to you because they believe or suspect you have or might make a report.

A person may be causing you detriment if they:

- dismiss you from your employment
- injure you in your employment
- alter your position or duties to your disadvantage
- discriminate between you and other employees of the same employer
- harass or intimidate you
- harm or injure you, including causing you psychological harm
- damage your property
- damage your reputation
- damage your business or financial position
- cause you any other damage.

You may seek independent legal advice or contact regulatory body if you believe you have suffered detriment.

3.3 Protection against legal action

The Act protects a Whistleblower against certain legal actions related to making the Whistleblower disclosure, including:

- criminal prosecution - the disclosure cannot be used against the Whistleblower in a prosecution, unless the disclosure is false)
- civil litigation - for breach of an employment contract, duty of confidentiality, or other contractual obligation, or
- administrative action (including disciplinary action).

If you are the subject of an action for making a Whistleblower disclosure, you may rely on this protection in your defence.

This protection does not grant immunity to you for any misconduct that you were involved in that is revealed in the disclosure. However, if you voluntarily self-report your involvement in corporate misconduct, regulators will often consider your cooperation.

3.4 What may not be covered

Employees experiencing employment disputes, or a personal work-related grievance may not be covered under the Whistleblower provisions of the Act.

Generally, a personal work-related grievance will include:

- an interpersonal conflict with another employee
- a decision about your employment, transfer, or promotion
- a decision about the terms and conditions of your employment
- a decision to suspend or terminate your employment or otherwise discipline you.

You may be able to rely on the Whistleblower regime only if the report also raises significant implications for the Lonsec Group. For example, if Lonsec Group's treatment of you breaks employment or other laws or suggests systemic misconduct beyond your own circumstances.

If you are a current or former Employee of the Lonsec Group who solely has an employment dispute or work-related grievance, you may wish to separately report misconduct about that work-related dispute. For personal work-related grievances see the HR Complaints Policy for details on how to make a complaint.

Competitors, Customers and Clients

You may observe or be affected by misconduct of a competitor and wish to report the misconduct to the competitor's management or ASIC. However, you cannot access the Whistleblower protections, as these protections are targeted at insiders of companies or organisations.

Similarly, if you are a customer or client of a company or organisation, you may also observe or be affected by the company's or organisation's misconduct. However, you are not able to access the Whistleblower protections if you are not otherwise an insider to the company or organisation.

3.5 Compensation and other remedies

A discloser (or any other employee or person) can seek compensation and other remedies through the courts if:

- (a) they suffer loss, damage or injury because of a disclosure; and
- (b) Lonsec Group failed to take reasonable precautions and exercise due diligence to prevent the detrimental conduct.

Lonsec Group encourages disclosers to seek independent legal advice.

04 Managing the Welfare of the Whistleblower

The Lonsec Group is committed to the protection of genuine Whistleblowers against action taken in reprisal for making of a disclosure regarding improper conduct. The Lonsec Group will ensure that Whistleblowers will not be personally disadvantaged as a result of having made a disclosure. The Whistleblower Protection Officer is responsible for protecting discloser's and ensuring the integrity of the reporting mechanism.

Whistleblower Protection Officer will ensure that all Whistleblowers that have disclosed their identity are kept informed of the progress taken in relation to his or her disclosure to the extent permitted by law.

Lonsec Group will take steps to ensure the disclosers identity is protected, including but not limited to, redacting personal information, using gender neutral terms and identifying where the disclosers previous actions may have inadvertently identified them.

The Lonsec Group acknowledges that the act of Whistleblowing 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.

05 Roles and Responsibilities of Whistleblowers

Lonsec is committed to supporting Whistleblowers, however Whistleblowing is not about airing a grievance; it's about reporting real or perceived malpractice.

A report may damage the career prospects and reputation of people who are the subject of serious allegations and therefore if your report is not made in good faith or is found to be malicious, deliberately misleading or frivolous, you may be subject to disciplinary action.

Whistleblowers should refrain from trying to obtain evidence for which they do not have a right to access. Such improper access may itself be considered an improper activity.

Whistleblowers making a disclosure of alleged improper activities should be prepared to set forth all known information regarding any reported allegations.

Anonymous Whistleblowers are encouraged to provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoings or broad allegations will not be undertaken without verifiable evidentiary support. As anonymous Whistleblowers are unable to be interviewed, it may be more difficult to evaluate the credibility of the allegations and therefore less likely to cause an investigation to be initiated.

Whistleblowers are reporting parties and are not to act on their own in conducting any investigative activities.

06 Investigating and Recording Disclosures

The Eligible Recipient in conjunction with the Whistleblower Investigation Officer are responsible for making the initial assessment and advising the Whistleblower if the requirements are met and if the protections will apply.

The Whistleblower Investigation Officer will take overall responsibility for the investigation, however appropriately qualified Employees may be included in the investigation where specialised skills and experience are required. For particularly complex or sensitive matters specialist external investigators or advice may be sought.

Lonsec recognises that Employees who are mentioned, or to whom a disclosure relates, are entitled to fair process and will be supported through the investigation process. Where appropriate an Employee will be given opportunity to respond in line with the process documented in the HR Performance Management and Disciplinary Action Policy.

The Lonsec Group will investigate all reported concerns appropriately and will, where applicable, provide feedback regarding the investigation's outcome.

The Lonsec Group will take the necessary course of action in response to a disclosure and if no action is taken, an explanation will be provided.

Lonsec Group will adopt secure recordkeeping and information sharing processes, including but not limited to, restricting the number of people directly involved, limiting access to paper and electronic documents and reminding staff involved in investigations that unauthorised disclosure of the whistleblower's identity may be a criminal offence.

The Eligible Recipient will make the CEO aware of the report but not the identity of the complainant if confidentiality has been requested.

If the report refers to the conduct or actions of the CEO a report should be made to the Chair of the Lonsec Holdings Pty Ltd Board.

07 Access and Review of this Policy

This Policy is available to all Lonsec Group Employees on the intranet and all new staff are required to read the policy as part of induction. The policy will be made available on the Lonsec Group website, Lonsec.com.au.

The Policy will be reviewed annually by the Risk and Compliance Manager and signed off by the Lonsec Holdings Pty Ltd Board.