

**ARC FUNDS LIMITED**

ABN 52 001 746 710



## **WHISTLEBLOWER POLICY**

Revised and approved by Directors on 9 June 2022

## 1. Policy

ARC Funds Limited (ARC) are committed to maintaining a high standard of integrity, business confidence and good corporate governance in delivering our activities.

It is imperative that operations of ARC are delivered in a professional, ethical and reliable manner.

This Whistleblower Policy (**Policy**) forms part of our risk management framework and is an important part of achieving the above corporate objectives. It has been prepared in accordance with the requirements of section 1317AI of the *Corporations Act 2001* (Cth) (the **Corporations Act**).

## 2. Purpose

ARC is committed to the highest standards of conduct and ethical behaviour in all of our business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance.

ARC encourages the reporting of any instances of suspected unethical, illegal, fraudulent or undesirable conduct involving ARC businesses and provides protections and measures so that those persons who make a report may do so confidentially and without fear of intimidation, disadvantage or reprisal.

This policy will be made available to officers and employees of the company via the ARC internet website and in such other ways as will ensure the policy is available to employees and persons wishing to use it.

## 3. Misconduct covered by this policy

### 3.1 What is Reportable Conduct?

You may make a report under this policy if you have reasonable grounds to suspect that a ARC director, officer, employee, contractor, supplier, tenderer or other person who has business dealings with ARC has engaged in conduct ("**Reportable Conduct**") which:

- is dishonest, fraudulent or corrupt, including bribery or other activity in breach of the ARC Anti-Fraud and Corruption Policy;
- is illegal activity (such as theft, violence, harassment or intimidation, criminal damage to property or other breaches of state or federal law);
- is unethical or in breach of ARC policies (such as dishonestly altering company records or data, adopting questionable accounting practices or wilfully breaching ARC Code of Conduct or other policies or procedures);

- is potentially damaging to ARC, an ARC employee or a third party, such as unsafe work practices, environmental damage, health risks or abuse of ARC property or resources;
- amounts to an abuse of authority;
- may cause financial loss to ARC or damage its reputation or be otherwise detrimental to ARC interests;
- involves any other kind of misconduct or an improper state of affairs or circumstances; or
- involves harassment, discrimination, victimisation or bullying, other than personal work-related grievances as defined in the *Corporations Act 2001* (Cth) ("**Corporations Act**").

### 3.2 Reasonable Grounds

The Whistleblower must have reasonable grounds to suspect that the misconduct has occurred or an improper state of affairs exists in relation to our company or a related company.

Should any person wish to make a disclosure but is concerned as to whether their suspicions have reasonable grounds, advice can be sought from the Whistleblower Officer.

Persons seeking protection as a Whistleblower are also entitled to seek their own legal advice as to a possible disclosure and make disclosure to their lawyer for the purpose of obtaining such advice or legal representation.

### 3.3 False Reports

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. It also involves considerable time and effort to investigate matters. Therefore, it is important that those who make a disclosure under this Policy do so based on reasonable grounds for believing that the information disclosed is correct.

Any deliberately false disclosures will be treated seriously and where made by an employee will have disciplinary consequences.

**Annexure A** describes special protections for whistleblowers who disclose information concerning misconduct or an improper state of affairs or circumstances in relation to ARC or a related body corporate under the Corporations Act.

#### 4. Who can I make a report to?

ARC has several channels for making a report if you become aware of any issue or behaviour which you consider to be Reportable Conduct.

**For the purposes of this policy** to ensure appropriate escalation and timely investigation, we request that reports are made to our Protected Disclosure Officer, listed below.

Reports may also be posted to: GPO Box 635 BRISBANE QLD 4001 (marked to the attention of one of the Protected Disclosure Officers).

You may also raise the matter with an “officer” of the company. This includes a director, or a senior manager in the company who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the company, or who has the capacity to affect significantly the company’s financial standing. This may include the Chairman, any Director or Executive Director.

Staff Member	Responsibility
ARC Executive Director Wayne Massey Phone: 0408 718 276 Email: <a href="mailto:wayne@arcfunds.com.au">wayne@arcfunds.com.au</a>	Protected Disclosure Officer

#### 5. ARC Investigation of Reportable Conduct

ARC will investigate all matters reported under this policy as soon as practicable after the matter has been reported. A Protected Disclosure Officer may, with your consent, appoint a person to assist in the investigation of a report. Where appropriate, ARC will provide feedback to you regarding the investigation’s progress and/or outcome (subject to considerations of the privacy of those against whom allegations are made).

The investigation will be conducted in an objective and fair manner, and otherwise as is reasonable and appropriate having regard to the nature of the Reportable Conduct and the circumstances.

While the particular investigation process and enquiries adopted will be determined by the nature and substance of the report, in general, as soon as practicable upon receipt of the report, if the report is not anonymous, a Protected Disclosure Officer or investigator will contact you to discuss the investigation process including who may be contacted and such other matters as are relevant to the investigation.

Where a report is submitted anonymously, ARC will conduct the investigation and its enquiries based on the information provided to it.

## 6. Protection of Whistleblowers

ARC is committed to ensuring confidentiality in respect of all matters raised under this policy, and that those who make a report are treated fairly and do not suffer detriment.

### (a) *Protection against detrimental conduct*

Detrimental treatment includes dismissal, demotion, harassment, discrimination, disciplinary action, bias, threats or other unfavourable treatment connected with making a report.

If you are subjected to detrimental treatment as a result of making a report under this policy you should:

- Inform a protected disclosure officer, officer or senior manager within your relevant division/business unit immediately under the divisional whistleblower policy; or
- raise it in accordance with paragraph 4 of this policy.

### (b) *Protection of your identity and confidentiality*

Subject to compliance with legal requirements, upon receiving a report under this policy, ARC will only share your identity as a whistleblower or information likely to reveal your identity if:

- you consent;
- the concern is reported to the Australian Securities and Investments Commission ("**ASIC**"), the Australian Prudential Regulation Authority ("**APRA**"), the Tax Commissioner or the Australian Federal Police ("**AFP**"); or
- the concern is raised with a lawyer for the purpose of obtaining legal advice or representation.

If ARC needs to investigate a report, it may disclose information that could lead to your identification, but it will take reasonable steps to reduce this risk.

Any disclosures of your identity or information likely to reveal your identity will be made on a strictly confidential basis.

### (c) *Protection of files and records*

All files and records created from an investigation will be retained securely.

Unauthorised release of information to someone not involved in the investigation (other than senior managers or directors who need to know to

take appropriate action, or for corporate governance purposes) without your consent as a whistleblower will be a breach of this policy.

Whistleblowers are assured that a release of information in breach of this policy will be regarded as a serious matter and will be dealt with under ARC's disciplinary procedures.

The Corporations Act gives special protection to disclosures about breaches of that Act, provided certain conditions are met – refer to **Annexure A** for further details.

The *Taxation Administration Act 1953 (Cth)* ("**Taxation Administration Act**") also gives special protection to disclosures about breaches of any Australian tax law, provided certain conditions are met.

## 7. Duties of employees in relation to reportable conduct

It is expected that employees of ARC who become aware of actual or suspect on reasonable grounds, potential cases of Reportable Conduct will make a report under this policy or under other applicable policies.

## 8. Group Reporting Procedures

The Chairman and Protected Disclosure Officers (as appropriate) will report to the ARC Board on the number and type of whistleblower incident reports annually, to enable ARC to address any issues.

These reports will be made on a 'no names' basis, maintaining the confidentiality of matters raised under this policy.

The Audit Committee will receive copies of these Chairman whistleblower reports, and whistleblower reports from Protected Disclosure Officers (as appropriate). In addition, serious and/or material Reportable Conduct will be considered by the Protected Disclosure Officers for immediate referral to the Chairman of the Audit Committee.

## 9. Responsibilities

Position or Committee	Responsibility
ARC Board	<ul style="list-style-type: none"> <li>Review this policy document.</li> <li>Understand their obligations under this policy.</li> </ul>
Audit Risk Committee	<ul style="list-style-type: none"> <li>Receive and review whistleblower reports from the Chairman and Protected Disclosure Officers.</li> <li>Understand their obligations under this policy.</li> </ul>
Chairman	<ul style="list-style-type: none"> <li>Receive whistleblower reports.</li> </ul>

	<ul style="list-style-type: none"> <li>• Report to the ARC Board on the number and type of whistleblower incident reports, to be undertaken on an annual basis.</li> <li>• Provide a copy of whistleblower reports to the Audit Committee.</li> <li>• Understand their obligations under this policy.</li> </ul>
Protected Disclosure Officer	<ul style="list-style-type: none"> <li>• Receive whistleblower reports.</li> <li>• Report to the ARC Board on the number and type of whistleblower incident reports, to be undertaken on an annual basis.</li> <li>• Provide a copy of whistleblower reports to the Audit Committee.</li> <li>• Understand their obligations under this policy.</li> </ul>
Director/Executive Director	<ul style="list-style-type: none"> <li>• Receive whistleblower reports.</li> <li>• Understand their obligations under this policy.</li> </ul>

## 10. Monitoring and Compliance

This policy cannot be amended without approval of the ARC Board. It will be reviewed from time to time to ensure that it remains effective and meets best practice standards and the needs of ARC.

## 11. Related Documents, References and Standards

List here the relevant references and the year published using Harvard style referencing and provide document numbers and titles for registered documents. Example on how to set out a reference:

- Corporations Act 2001
- Taxation Administration Act 1953

## Annexure A – Special protections under the Corporations Act<sup>1</sup>

The Corporations Act gives special protection to disclosures about any misconduct or improper state of affairs relating to ARC if the following conditions are satisfied:

- 1 the whistleblower is or has been:
  - a. an officer or employee of ARC;
  - b. an individual who supplies goods or services to ARC or an employee of a person who supplies goods or services to an ARC company;
  - c. an individual who is an associate of an ARC company; or
  - d. a relative, dependent or dependent of the spouse of any individual referred to at (a) to (c) above;
  
- 2 the report is made to:
  - a. a Protected Disclosure Officer;
  - b. an officer or senior manager of an ARC company concerned;
  - c. ARC's external auditor (or a member of that audit team)<sup>2</sup>;
  - d. ASIC;
  - f. APRA; or
  - g. 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;
  
- 3 the whistleblower has reasonable grounds to suspect that the information being disclosed concerns misconduct, or an improper state of affairs or circumstances in relation to the ARC. This may include a breach of legislation including the Corporations Act, an offence against the Commonwealth punishable by imprisonment for 12 months or more or conduct that represents a danger to the public or financial system.

Examples of conduct which may amount to a breach of the Corporations Act include: insider trading, insolvent trading, breach of the continuous disclosure rules, failure to keep accurate financial records, falsification of accounts, failure of a director or other officer of the Group to act with the care and diligence that a reasonable person would exercise, or to act in good faith in the best interests of the corporation or failure of a director to give notice of any material personal interest in a matter relating to the affairs of the company.

The protections given by the Corporations Act when these conditions are met are:

- 1 the whistleblower is immune from any civil, criminal or administrative legal action (including disciplinary action) for making the disclosure;

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<sup>1</sup> See Part 9.4AAA of the *Corporations Act 2001 (Cth)*.

<sup>2</sup> ARC's external auditor can be found in its Annual Report and as at 30 June 2019 was Bentleys Brisbane (Audit) Pty Ltd.

- 2 no contractual or other remedies may be enforced, and no contractual or other right may be exercised, against the whistleblower for making the report;
- 3 in some circumstances, the reported information is not admissible against the whistleblower in criminal proceedings or in proceedings for the imposition of a penalty;<sup>3</sup>
- 4 anyone who causes or threatens to cause detriment to a whistleblower or another person in the belief or suspicion that a report 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;
- 5 a whistleblower's identity cannot be disclosed to a Court or tribunal except where considered necessary; and
- 6 the person receiving the report commits an offence if they disclose the substance of the report or the whistleblower's identity, without the whistleblower's consent, to anyone except ASIC, APRA, the AFP or a lawyer for the purpose of obtaining legal advice or representation in relation to the report.

### **Confidentiality**

If a report is made, the identity of the discloser must be kept confidential unless one of the following exceptions applies:

- a. the discloser consents to the disclosure of their identity;
- b. disclosure of details that might reveal the discloser's identity is reasonably necessary for the effective investigation of the matter;
- c. the concern is reported to ASIC, APRA, or the AFP; or
- d. the concern is raised with a lawyer for the purpose of obtaining legal advice or representation.

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<sup>3</sup> Such as where the disclosure has been made to ASIC or APRA, or where the disclosure qualifies as a public interest or emergency disclosure.