

<b>Policy:</b>	<b>Whistle Blower Policy and Procedure</b>
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<b>Supersedes:</b>	All previous Modern Star Whistle Blowing Policies/ or Statements
<b>Authorised by:</b>	CEO
<b>Location:</b>	HR Manual

### Philosophy:

The Modern Star Group (“Modern Star” or “the Company”) 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.

Modern Star encourages the reporting of any instances of suspected wrongdoing; unethical, illegal, fraudulent or undesirable conduct involving Modern Stars' businesses, and will ensure that those persons who make a report shall do so without fear of intimidation, disadvantage or reprisal.

This policy ensures compliance with Australian and New Zealand’s workplace legislative framework including corporate governance, work, health & safety and employment legislation, such as, but not limited to; *New Zealand and Australia’s Work, Health & Safety law; Australia’s Corporations Act 2001, Treasury Laws Amendment (Enhancing Whistleblower Protections) Bill 2017, the Fair Work Act 2009 and Fair Work Amendment laws and New Zealand’s Employee Relations Act 2000 and Amendment Acts, Human Rights Act 1993 and Protected Disclosures Act 2000.*

The Australian and New Zealand workplace legislative framework incorporates elements of global best practice that can be applied to locations internationally, such as Singapore and Hong Kong in conjunction with local, relevant legislation.

This policy and procedure sets out the types of behaviours and conduct which will be taken to constitute wrongdoing and ‘Reportable Conduct,’ how to make a disclosure, to whom disclosures may be made and how Modern Star will address and manage disclosure reports.

Singapore and Hong Kong do not have specific whistleblowing laws or definitions, although some wrongdoing behaviour and offences are covered in local legislation. Therefore, Australia and New Zealand’s ‘Reportable Behaviour’ definition should be viewed as the best practice standard and used in conjunction with local, relevant, legislation detailed in Appendix Singapore and Hong Kong Legislation.



This policy is not intended to replace other reporting procedures, such as those for personal grievances, equal opportunity, discrimination, harassment or bullying; except where the issue is of a serious nature and where existing reporting systems have failed to process the issue or have processed it in an inappropriate, unfair or biased manner.

**Scope:**

This policy and procedure applies to employees (past and present), consultants, contractors (temporary or otherwise) work experience students and agents of Modern Star across all locations, including but not limited to offices, shops, warehouses, factories. For the purpose of this policy the term 'representative' will refer collectively to contractors, consultants and agents.

In addition, where Modern Star relies on an external organisation to manage aspects of the Whistleblower process on Modern Star's behalf, the external organisation will be required comply with the requirements of this Policy.

**Policy Statement:**

Modern Star will not tolerate unethical, unlawful or undesirable conduct. As part of Modern Star's commitment and legal obligations to support legitimate whistleblowing of wrongdoing in the workplace, Modern Star will, but not limited to:

- encourage, support and promote the appropriate raising of Reportable Conduct;
- provide appropriate channels to enable and support the raising of Reportable Conduct;
- ensure that protections and protocols are in place to support people who raise Reportable Conduct;
- conduct fair, unbiased, objective evidence-based investigations in a timely manner in order to substantiate or refute claims of Reportable Conduct; and
- maintain the confidentiality, anonymity and privacy of the person raising Reportable Conduct as required in line with this policy;
- maintain the confidentiality, anonymity and privacy of any person who is the subject of reportable conduct whilst investigations are undertaken as required in line with this policy.

**Definitions:****Whistle blowing**

Whistleblowing is defined as: "the disclosure by organisation members (former or current) of illegal, immoral or illegitimate practices under the control of their employers, to persons or organisations that may be able to effect action" (*Parliament of Australia*).

**Whistleblower**

A whistleblower is an insider within an organisation, who reports misconduct or dishonest or illegal activity that has occurred within that same organisation.

Under Australia and New Zealand legislation legal recognition and protection as a whistleblower, requires certain criteria to be met and certain actions to be taken when making a disclosure.

### **Reportable Conduct**

Under this policy 'Reportable Conduct' is an activity, conduct or state of affairs that has occurred, is currently occurring or is likely to occur and could be considered to be, but is not limited to:

- dishonest, fraudulent or corrupt activity, including bribery;
- illegal activity (such as theft, drug sale or use, violence, harassment or intimidation, criminal damage to property or other breaches of state or federal law);
- unethical actions or activities in breach of Modern Star' policies (such as dishonestly altering company records or data, adopting questionable accounting practices or willfully breaching Modern Star Code of Conduct or other policies or procedures);
- activity which is potentially damaging to Modern Star, a Modern Star employee or a third party, such as;
  - work practices,
  - environmental damage,
  - health risks; or
  - abuse of Modern Star property or resources.
- activity which;
  - amounts to an abuse of authority;
  - may cause financial loss to Modern Star or damage its reputation or be otherwise detrimental to Modern Star's interests;
  - involves harassment, discrimination, victimisation or bullying; or
  - involves any other kind of serious impropriety.

For New Zealand persons, without limiting the above definitions, any conduct that constitutes "serious wrongdoing" under the Protected Disclosures Act 2000.

Reportable Conduct under this Policy is not conduct which you would expect to arise in the normal course of business.

### **Procedural Fairness**

Throughout the process of any investigation under this policy and procedure, all those involved in an investigation will be afforded, and will abide by the principles of natural justice and procedural fairness.

### **Responsibilities:**

Modern Star expects that all **team members** will:

- Be aware of and comply with Modern Star's Code of Conduct policy and procedure.
- Role model the required behaviours and standards identified in the Code of Conduct.
- Model Modern Star's organisational values.
- Make a report under this policy or under other applicable policies if become aware of known, suspected, or potential cases of Reportable Conduct.

If making a disclosure, **team members** must;

- Make the complaint honestly, reasonably and in good faith, with genuine belief over the conduct that they are raising;
- Provide all facts relevant to the complaint; and co-operate with the resolution process.

Additionally, **Managers** must ensure that they:

- Treat all disclosures/ reports in accordance with this policy and procedure;
- Provide assistance to a Whistleblower (before or after they report) in relation to the process and this Policy;
- Maintain the confidentiality, privacy, and anonymity (as required in line with this policy) of a Whistleblower;
- Maintain confidentiality of any person accused of wrongdoing by a Whistleblower during and following investigation (as required in line with this policy);
- Ensure that team members understand this policy and related policies and the consequences of non-compliance;
- Cover Whistleblowing policy and procedures as part of induction for all new team members, together with all Modern Star policies;
- Model appropriate standards of professional conduct at all times;
- Model Modern Star's organisational values.

### **Making a Disclosure- Reporting Procedure**

Modern Star has several channels for making a report if a person becomes aware of any issue or behaviour which he or she considers to be Reportable Conduct (see Definitions):

Modern Stars' employees or representatives working within a Modern Star team may raise the matter with their direct manager, or another manager within the division/ business unit.

A manager in receipt of a report must take the matter to a Major Projects Manager (or CFO if the concern involves Major Projects Manager).

Modern Star employees or representatives, working within a Modern Star team may also make a report to a member of the Senior Management Team, as detailed below. This report can be in person, by telephone, or in writing (email, letter);

- Chief Executive Officer (CEO)
- Chief Operating Officer (COO)
- Chief Commercial Officer (CCO)

Reports may also be made by post to: PO BOX 6614, Frenches Forest, NSW 2086 (marked to the attention of one of the Major Projects Managers).

Wrongdoing can also be directly reported to the Australian Securities and Investments Commission Australia's Corporate regulator (ASIC) or for New Zealand, an Appropriate Authority referenced in the Protected Disclosures Act, such as the Ombudsman.



Modern Star acknowledges that the Whistleblower may communicate with an applicable regulator at any time in relation to Reportable Conduct.

In raising Reportable Conduct, a person should ensure they are acting honestly, reasonably and with genuine belief over the conduct that they are raising. If a person is unsure as to whether conduct constitutes Reportable Conduct, they should seek guidance from HR.

Whilst not intending to discourage whistleblowers from reporting matters of genuine concern, it is strongly suggested whistleblowers ensure as far as possible that reports are factually accurate, complete, from first-hand knowledge, presented in an unbiased fashion (and any possible perception of bias of the whistleblower is disclosed), and without omitting any facts.

### **Investigation of Allegations**

- Modern Star will investigate all matters reported under this Policy as soon as possible after the matter has been reported (indirectly or directly).
- Once a disclosure is received, the Major Projects Manager may appoint a person to assist in the investigation of a matter raised in a report. Investigations may be conducted by an internal (such as a member of Compliance & Ethics Committee) or external investigator. The investigator should be independent from the area of the business involved and have the required skill to manage and investigate the conduct raised.
- Any investigation will be conducted in an objective and fair manner, following the principles of natural justice and as is reasonable and appropriate having regard to the nature of the Reportable Conduct and the circumstances. Reasonable steps will be taken to ensure an investigation is conducted in a timely manner.

### **Communication to parties**

#### **Communication to the business**

At the end of the investigation, the investigator will report their findings to Modern Star's:

- CEO (copy to the Group HR Manager) – in relation to all alleged employee and representative performance or behavioural matters.
- Board of Directors (copy to Group HR Manager) – in relation to any matter relating to the CEO or alleged financial matters.

Modern Star is committed to implementing the findings and recommendations of any investigation with a view to rectifying any wrongdoing as far as are practicable in the circumstances.

Where issues of discipline arise, the response will be in line with the Disciplinary Procedures.

### **Communication with Whistle-blower**

- Modern Star will take reasonable steps to ensure a Whistleblower receives acknowledgement of their disclosure, is kept updated in relation to timeframes and next steps and is advised when the matter is closed (where appropriate).
- Once the investigation is completed, where appropriate a verbal report will be made to the whistleblower. This report will explain the findings and actions taken to the fullest extent possible within commercial, legal and confidentiality constraints. Where the whistleblower



chooses to remain anonymous, alternative arrangements may be made for providing a verbal report of the outcome of the investigation to that person.

- All whistleblowers must maintain confidentiality of all such reports, and not disclose the information to any person.

### **Management of whom a disclosure is made**

Modern Star recognises that individuals against whom a report is made must also be supported during the handling and investigation of the report. Modern Star will take reasonable steps to treat fairly the person who is the subject of a report, particularly during the assessment and investigation process.

Generally, the investigator must ensure that the person who is the subject of any report that is investigated:

- is informed as to the substance of the allegations;
- is given the opportunity to answer the allegations before any investigation is finalised;
- is informed about the substance of any adverse comments that may be included in any report arising from the investigation before it is finalised, and has their defense set out fairly in any report.

Where the allegations in a report have been investigated and the person who is the subject of the report is aware of the allegations or the fact of the investigation, the investigator must formally advise the person who is the subject of the disclosure of the outcome of the investigation.

### **Confidentiality**

If a person makes a report of alleged or suspected wrongdoing under this policy, Modern Star will endeavour to protect that person's identity from disclosure.

Generally, Modern Star will not disclose the person's identity unless:

- the person making the report consents to the disclosure;
- the disclosure is required or authorised by law; and/or
- the disclosure is necessary to further the investigation.

Generally, reports made under this policy will be treated confidentially.

However, when a report is investigated it may be necessary to reveal certain information in connection for the purposes of complying with this Policy to people such as other Modern Star personnel, external persons involved in the investigation process and, in appropriate circumstances, law enforcement agencies.

At some point in time, it may also be necessary to disclose the fact and the substance of a report to the person who is the subject of the report. Although confidentiality is maintained, in some circumstances, the source of the reported issue may be more obvious to a person who is the subject of a report.



Modern Star will also take reasonable precautions to securely store all records relating to a Reportable Conduct investigation for 7 years.

Unauthorised disclosure of information relating to a report, the identity of the Modern Star team member or representative that has made a report of wrongdoing, or information from which the identity of the reporting person could be inferred will be regarded seriously and may result in disciplinary action, which may include summary dismissal.

### **Whistle-blower Protection**

Whistleblowers that report matters in good faith will not be penalised, personally or financially disadvantaged because they have made a disclosure by any of the following:

- dismissal;
- demotion;
- any form of harassment;
- discrimination;
- bias; or
- threats of any of the above.

Modern Star will ensure that all reasonable steps are taken to protect the Whistleblower (and those responsible for the associated investigation and support) from any threatened or actual detrimental or Retaliatory Action as a result of raising Reportable Conduct.

Modern Star can provide support to a Whistleblower as required, including but not limited to, counselling services or further reasonable assistance as requested by the Whistleblower.

Where a Whistleblower, or someone responsible for the Whistleblower investigation and support, believes that they have, or may be, subject to retaliatory action they should raise this in first instance to the Major Projects Manager. If they are not satisfied with the response, they can escalate to the CFO.

Any team member or Manager who is found to have dismissed, demoted, harassed, or discriminated against a whistleblower by reason of their status as a whistleblower, may be subjected to disciplinary measures, including summary dismissal.

A Whistleblower may also be entitled to protection from civil or criminal liability (in Australia, under the Corporations Act 2001) or civil, criminal or disciplinary proceedings (in New Zealand, under the Protected Disclosures Act 2000) if the Reportable Conduct they raise qualifies as a Protected Disclosure. The Person should seek advice from HR Manager where any doubt exists as to whether the Reportable Conduct may be considered as a Protected Disclosure.

### **Not acting in good faith or false reporting**

A Whistleblower may not be protected if:

- they knowingly give false or incorrect information and/or make vexatious claims; or



- they are found to have been materially involved in wrongdoing which constitutes misconduct or is unlawful in nature, and therefore may not be protected in relation to their role in that wrongdoing (although in some cases reporting the wrongdoing may be a mitigating factor).

Where it is established by the investigator that the whistleblower is not acting in good faith, or they have made a false report, then they will be subjected to disciplinary proceedings, including summary dismissal.

### **Policy adherence**

For employees, failure to comply with this policy may result in disciplinary action, and in cases of serious breaches, termination of employment. Breaches will be assessed by the CFO and HR for all employees, other than the CEO and direct reports, in which case, breaches will be assessed by the Board of Directors.

For representatives, failure to comply with this Policy may result in termination of the representatives' Service Agreement.

### **Monitoring**

Modern Star through the Company Compliance and Ethics committee will record the number of whistleblowing disclosures they receive and their nature, to enable Modern Star to address any issues at a divisional/ business unit and/or Group level.

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

### **Application**

As with all Modern Star's Policies and Procedures this policy must be complied with. However, it is not incorporated into an employee's contract of employment and may be amended from time to time.

### **Interpretation and Guidance**

In the event that any additional guidance and/or further interpretation is required, please contact HR.