

PROBIOTEC LIMITED

WHISTLEBLOWING POLICY

1 Purpose

Probiotec Limited (**Company**) is committed to best practice in corporate governance, compliance and ethical behaviour.

The Company recognises that any genuine commitment to detecting and preventing illegal and other undesirable conduct must include a mechanism by which employees and others can report concerns freely and without fear of repercussion. The purpose of this policy is to provide such a mechanism, and encourage the reporting of such conduct.

This policy aims to:

- (a) encourage people to report an issue if they genuinely believe that that staff or contractors have contravened the Company's Code of Conduct, policies or the law;
- (b) outline how the Company will properly deal with all reported misconduct or unethical behaviour; and
- (c) assist in ensuring that serious misconduct or unethical behaviour is identified and deal with appropriately.

Unethical, unlawful or undesirable conduct is referred to in this policy as **reportable conduct**. Examples of reportable conduct are set out in Part 4 below.

2 Application

This policy:

- (a) applies to any person who carries out work for the Company. This includes employees, volunteers, contractors, directors and officers. In this policy, each person in the categories listed above is referred to as a **Company individual**;
- (b) forms an integral part of the Company's risk management strategies. It is not intended to replace other reporting structures such as those for dispute resolution, grievances, equal opportunity, harassment or bullying mechanisms, unless these processes have failed to suitably address legitimate concerns;
- (c) recognises that particular whistleblowing protection is provided within corporations legislation (see Part 6 below). This policy does not replace any of the whistleblower provisions of relevant corporations legislation. Rather, this policy provides a Company individual with guidance on making disclosures both to the Company and, where appropriate, to ASIC;
- (d) is not the appropriate avenue to air grievances and must not be used for trivial or vexatious matters (being matters that the reporter knows, or ought to know, have no substance); and
- (e) does not form part of the terms of any employees' contract of employment.

The Company may amend, replace or vary this policy from time to time.

3 Definitions

“**ASIC**” means the Australian Securities and Investment Commission.

“**Corporations Act**” means *Corporations Act 2001* (Cth).

“**Good Faith**”, for the purpose of this policy, means that the person who makes a disclosure has made it honestly and has not made it either maliciously or with a secondary ulterior purpose.

“**Reasonable Grounds**”, for the purpose of this policy, means an honest belief that the information they intend to disclose is true or that it may be true.

“**WIO**” means Whistleblower Investigations Officer. The WIO is appointed by the Company to investigate a disclosure.

“**WPO**” means Whistleblower Protection Officer. The WPO:

- is appointed by the Company to receive and, where required, ascertain the substance of a disclosure; and
- for the purposes of section 1317AA(1)(b)(iv) of the Corporations Act is a person authorised by the Company to receive disclosures.

4 What is reportable conduct?

Reportable conduct covered by this policy includes, but is not limited to, any conduct which:

- (a) is dishonest, fraudulent, corrupt or illegal;
- (b) is unethical or immoral, such as adopting questionable accounting practices or wilfully breaching any of the Company’s policies or its Code of Conduct;
- (c) is potentially damaging to the Company or Company individuals, such as unsafe work practices or substantial wasting of company resources;
- (d) may cause financial loss to the Company or damage its reputation or be otherwise detrimental to the Company’s interests;
- (e) may cause serious harm to public health, safety or the environment, or the health and safety of any Company individual;
- (f) involves any other kind of serious impropriety; or
- (g) any action taken against, or harm suffered by an employee as a result of making a disclosure under this policy.

5 Making a report to the Company

5.1 Standard reporting channels

In the first instance, any Company individual who becomes aware of any matter or behaviour which could contravene the Company’s Code of Conduct, policies or the law, is encouraged to follow the reporting channels as outlined in its Grievance Policy, and discuss with their immediate supervisor/manager.

In these circumstances, the supervisor/manager must ensure that the matter is kept confidential and is only escalated in accordance with this policy. Unless after discussion

the Company individual and the manager both agree that the matter is of a trivial nature or an incident has been misconstrued by the person disclosing the matter, the manager will take further action as is deemed appropriate, including reporting the matter to the WPO

Before any disclosure is made by a Company individual, there should be Reasonable Grounds to support the making of it, and it must be made in Good Faith.

5.2 Whistleblowing reporting channels

If the nature of the disclosure means that it is not appropriate for it to be reported through standard reporting channels, or if the Company individual does not feel comfortable in doing so, or if the disclosure has previously been reported via standard reporting channels but the Company individual believes no appropriate action has been taken, the Company individual can contact the WPO directly to discuss and file a report. Alternatively, the WPO can be contacted at concerns@probiotec.com.au

There should be Reasonable Grounds to support the making of a disclosure, and it must be made in Good Faith.

6 Making a report to ASIC

Where Company individuals suspect a breach of the Corporations Act, they are encouraged to disclose all relevant information internally in accordance with the process set out at Part 5 above. However, a disclosure relating to a breach of the Corporations Act can also be made to the ASIC in certain circumstances.

Under the Corporations Act, the disclosure of information relating to contraventions or possible contraventions of the Corporations Act qualifies for certain protections where:

- (a) the disclosure is made by certain persons (as specified under section 1317AA(1)(a)) to ASIC, the Company's external auditor or a member of the external audit team, a director, secretary or senior manager of the Company or a person authorised by the Company to receive disclosures of a particular nature (as set out at section 1317AA(1)(b));
- (b) the person making the disclosure provides his or her name prior to disclosing the information (anonymous reports relating to breaches of the Corporations Act will not attract statutory protection);
- (c) the person has reasonable grounds to suspect that the information relates to a breach of the Corporations Act, the *Australian Securities and Investments Commission Act 2001* (Cth) or other corporations legislation (as specified at section 1317AA(1)(d)) by either the Company or an officer or employee of the Company; and
- (d) the disclosure is made in good faith.

Where information is disclosed by a Company individual in accordance with the criteria set out under the Corporations Act, the person receiving the information (as set out at Part 6(a) above) may not lawfully divulge to any other person other than ASIC, the Australian Prudential Regulation Authority or the Australian Federal Police:

- (a) the information disclosed;
- (b) the identity of the person making the disclosure; or
- (c) any information which will enable the identification of the person making the disclosure,

unless the Company individual consents to that disclosure.

7 What happens after a disclosure is made

Generally, reportable conduct disclosed via the reporting mechanisms outlined at Part 5 above will be investigated. In this case, the WIO will investigate the disclosure, but external investigators may be appointed depending on the nature of the disclosure (for example, where the suspected reportable conduct relates to the WIO). However, the WIO retains discretion as to whether an internal investigation will be conducted in respect of every disclosure of reportable conduct.

Similarly, where a Company individual discloses reportable conduct, unless the reportable conduct expressly concerns the Company individual, the Company retains discretion as to whether or not it will keep the Company individual informed of the progress and the outcome of inquiries or any investigation conducted. Any commercial, legal or confidential information will not be disclosed.

If a formal investigation is invoked, the person investigating the disclosure will be required to follow any applicable procedures for handling a complaint of disciplinary issues. This would generally involve:

- (a) undertaking a fair and independent investigation into the substance of the disclosure to determine whether there is evidence to support the matters raised;
- (b) respecting individual confidentiality (see Part 9 below);
- (c) collecting available data and verifying the reported information; and
- (d) observing the rules of procedural fairness and natural justice, including interviewing any relevant individuals.

Where the Company individual raising the disclosure has identified themselves, the investigator will likely begin by interviewing that person. However, the identity of the Company individual will not be made known to other parties without the consent of the Company individual or in the circumstances set out at Part 9 below.

8 Outcome of any investigation

At the conclusion of any investigation undertaken, the relevant investigator will report their findings to the Chief Executive Officer and the Chairman of the Audit & Risk Management Committee who will determine any appropriate response. This could include rectifying any reportable conduct substantiated through the investigation process and taking any action required to prevent future occurrences of similar conduct.

Where disciplinary issues arise, any response will be in accordance with any applicable Company policies and procedures for disciplinary matters.

A Company individual who has committed or been involved in reportable conduct will be immune from disciplinary action, provided the Company individual has not engaged in serious misconduct or illegal conduct, and provided that the reportable conduct does not involve criminal activity.

9 Confidentiality and anonymity

The Company is committed to protecting Company individuals who make genuine disclosures of reportable conduct.

The Company encourages Company individuals disclosing the reportable conduct to put their name to concerns they raise in case additional information is required in considering or investigating the matter.

Company individuals can raise reportable conduct anonymously or ask that their identity not be disclosed. In these circumstances, all reasonable efforts will be made to ensure that anonymous disclosures remain anonymous. However, anonymous disclosure of reportable conduct can have limitations that inhibit the matter from being fully inquired and investigated.

Anonymous disclosures of reportable conduct that are investigated will be investigated to the extent that they can be without revealing the individual's identity. However, the Company may have a legal obligation or a duty to disclose the Company individual's identity in particular circumstances. For example, where:

- (a) the disclosure is required by law;
- (b) the disclosure is necessary to prevent or lessen a serious threat to a person's health or safety; or
- (c) it is necessary to protect or enforce the Company's legal rights or interests or to defend any claims.

Anonymity therefore cannot be guaranteed in all circumstances.

Unauthorised disclosure of:

- (d) the identity of a Company individual who has made a report of reportable conduct; or
- (e) information from which the identity of the Company individual who reported the matter could be inferred,

will be regarded as a disciplinary matter and will be managed in accordance with the Company's Discipline Policy.

10 Commitment to protecting whistleblowers

The Company is committed to protecting Company individuals who disclose reportable conduct and will take all reasonable steps to ensure that a whistleblower is not disadvantaged where reportable conduct is disclosed in Good Faith and with Reasonable Grounds, and in accordance with this policy.

The Company will not tolerate any reprisals, discrimination, harassment intimidation or victimisation against any person suspected of making a report of reportable conduct. Any such behaviour will be treated as misconduct and will be dealt with in accordance with the Company's Discipline Policy.

11 Consequences for misuse of policy

11.1 False reporting by a person purporting to be a whistleblower

Any disclosure made under this policy must be undertaken in Good Faith and the Company individual making the disclosure must have Reasonable Grounds upon which they make the disclosure.

An individual purporting to be a whistleblower that has knowingly made a false report of reportable conduct may be subject to disciplinary action, such as dismissal (where the individual is an employee) or termination of the engagement of services (where the individual is a contractor).

11.2 Trivial or vexatious reports

This policy is intended to apply to all reports of alleged or suspected reportable conduct which is serious in nature. If a disclosure is or appears to be vexatious or frivolous, or without good reason, that conduct in itself is considered by the Company to be a serious matter.

In these circumstances, disciplinary action (for employees) or legal action (where the individual is not an employee) may be taken by the Company against the individual concerned.

12 References

- (a) ASIC Information Sheet 0052 (INFO 0052) on *Whistleblowers and Whistleblower Protection*:
<http://www.asic.gov.au/for-business/running-a-company/company-officeholder-duties/whistleblowers-company-officeholder-obligations/whistleblowers-and-whistleblower-protection/>
- (b) the Company's Discipline Policy;
- (c) the Company's Code of Conduct; and
- (d) the Company's Grievance Policy.