

FORESTERS

FINANCIAL



BO-10

Whistleblower Policy

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TABLE OF CONTENTS

PURPOSE.....	3
SCOPE	3
WHERE CAN I OBTAIN A COPY OF THIS POLICY?	3
WHAT TYPES OF CONDUCT CAN AN 'ELIGIBLE WHISTLEBLOWER' REPORT?.....	4
WHO SHOULD AN 'ELIGIBLE WHISTLEBLOWER' REPORT TO?.....	4
ROLES AND RESPONSIBILITIES	5
WHAT PROTECTIONS EXIST FOR WHISTLEBLOWERS?.....	6
WHAT ARE THE IMPLICATIONS OF MISREPORTING OF CONDUCT?	6
WHAT IS INVOLVED IN THE WHISTLEBLOWING INVESTIGATION PROCESS?.....	7
INTERACTION WITH RELATED POLICIES.....	7
REVIEW OF POLICY	7



PURPOSE

A Whistleblower Policy (Policy) is an important element in detecting corrupt, illegal, or other undesirable conduct. It is expected that all employees or members will conduct themselves in a manner consistent with Foresters Financial Limited (Foresters) standards and in compliance with all related legislation.

The purpose of this Policy is to promote a culture of corporate compliance, honesty, and ethical behaviour and to provide an environment where any potential, perceived or actual wrongdoing within Foresters or by Foresters, its employees or members can be raised by employees or members freely without fear of reprisal or retribution.

This will be achieved by:

- creating an environment of transparency
- encouraging employees or members to report their concerns.
- establishing procedures which enable protection for those reporting their concerns and enabling resolution of the issue/s identified.

Foresters encourages all employees to raise any concerns and report disclosable conduct where there are reasonable grounds to suspect such conduct, without fear of intimidation, disadvantage, or reprisal. This Policy is designed to educate employees and officers of Foresters in the definitions and processes of reporting of wrongdoing (as defined by this Policy) and how it will be handled by Foresters, including relevant protections and appropriate escalation points.

SCOPE

The *Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019* deals with whistle blowing and the protection of people who report certain “conduct” including suspected fraudulent acts. The Treasury Laws Amendment (Enhancing Whistleblower Protections) Act 2019 came into effect on 1 January 2020 and created a single whistleblower protection regime in the Corporations Act 2001, extending to organisations that are regulated by APRA and ASIC. This policy is based on the guidance from APRA under RG270 Whistleblower policies.

WHERE CAN I OBTAIN A COPY OF THIS POLICY?

This Policy is available via our public website.

WHO CAN BE AN ‘ELIGIBLE WHISTLEBLOWER’?

An eligible Whistleblower is someone who suspects wrongdoing on objectively reasonable grounds and is one of the following:

You must be a current or former:

- employee of the company or organisation your disclosure is about, or a related company or organisation
- officer (usually that means a director or company secretary) of the company or organisation your disclosure is about, or a related company or organisation
- contractor, or an employee of a contractor, who has supplied goods or services to the company or organisation your disclosure is about, or a related company or organisation. This can be either paid or unpaid, and can include volunteers
- associate of the company or organisation, usually a person with whom the company or organisation acts in concert
- trustee, custodian or investment manager of a superannuation entity, or an officer, employee, or a goods or service provider to a trustee, custodian, investment manager, or
- spouse, relative or dependant of one of the people referred to above.

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.



WHAT TYPES OF CONDUCT CAN AN 'ELIGIBLE WHISTLEBLOWER' REPORT?

You must have reasonable grounds to suspect that the information you are disclosing about the company or organisation concerns:

- misconduct, or
- an improper state of affairs or circumstances.

This information can be about the company or organisation, or an officer or employee of the company or organisation, engaging in conduct that:

- breaches the Corporations Act
- breaches other financial sector laws enforced by ASIC or APRA
- 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.

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

There are additional protections if your concerns relate to matters in the public interest or an emergency. Reportable conduct can include the actions of third parties such as suppliers or service providers.

WHO SHOULD AN 'ELIGIBLE WHISTLEBLOWER' REPORT TO?

Under the Whistle-blowers Protection Act 2001, an Eligible Whistleblower may disclose misconduct to internal or external disclosees. Internal disclosees are noted as an auditor, the actuary, a director, secretary or senior manager. External disclosees include ASIC, APRS, the Australian Federal Police (within the meaning of the Australian Federal Police Act 1979) or a person or body prescribed for the purposes of this paragraph in relation to the whistleblower related entity (Corporations Act 2001; Banking Act 1959; Life Insurance Act 1995; Insurance Act 1973; Superannuation Industry (Supervision) Act 1993) (authorised disclosures).

Foresters notes the above and will receive disclosures in accordance with the law. However, given the nature scale and complexity of the business, Foresters has approved a reporting procedure to ensure effective escalation of reports of misconduct. If disclosures have been made to a member of staff outside these roles, this staff member should immediately seek the guidance of the Chief Risk Officer or escalate the matter as appropriate with the guidance on roles below.

Foresters has several confidential channels which can be used by an Eligible Whistleblower. They can opt to remain anonymous if they wish and their identity will be protected in accordance with this Policy at all stages of the process, starting from their initial report and continuing through any investigation that takes place. However, we do encourage you to disclose your identity so that we can better monitor your wellbeing and protect you against personal disadvantage. It will also help us get further information to support your report.

When an Eligible Whistleblower has previously disclosed information to a disclosee, and a reasonable period has passed since that disclosure was made, and there are reasonable grounds that there is an imminent risk of serious harm or danger to public health or safety or to the financial system, if the information is not acted on immediately, then the Eligible Whistleblower may disclose to a member of the Australian Parliament or a State or Territory parliament or a journalist, which is defined to mean a person who is working in a professional capacity as a journalist.



ROLES AND RESPONSIBILITIES

<p>Disclosee (Supervisor, CRO, CEO or Chair of Risk Committee)</p>	<ul style="list-style-type: none"> • Receives and assesses reports from whistleblowing channels. • Accountable for notifying the Chairs of the Risk and the Audit & Compliance Committees of disclosures to be investigated by a WIO. • Designates the roles of WIO and WPO and provides quarterly reporting on whistleblowing to the Risk and Audit & Compliance Committees.
<p>Whistleblowing Investigation Officer(WIO)</p>	<ul style="list-style-type: none"> • Designated qualified external person(s) who are responsible for investigating disclosures. • Conducts investigations on reportable conduct, in a timely manner. This may include the use of internal or external investigative resources. • Keeps the whistleblower informed of the investigation's progress. • Reports the investigation outcome.
<p>Whistleblowing Protection Officer(WPO) (CEO or external appointment if Senior Management Team conduct reported)</p>	<ul style="list-style-type: none"> • Designated person(s) who are responsible for protecting whistleblowers from personal disadvantage as a result of making a report. The WPO is authorised to provide certain protections where he/she deems appropriate for fulfilling their role. • Protects and supports whistleblowers from personal disadvantage as a result of making a disclosure. • Provides advice to anyone covered by this Policy prior to, during, or after a disclosure.
<p>Whistleblower</p>	<ul style="list-style-type: none"> • Any person who makes (or attempts to make) a disclosure of wrongdoing in accordance with this Policy. • All reports must be made with a reasonable belief regarding the reportable conduct. • Provide as much information as possible and any known details relating to the reportable conduct (e.g., date, time, location, name of person(s) involved, evidence such as documents or emails, possible witnesses, and any steps that may have been taken to report the matter elsewhere to try to resolve the concern). • May choose to remain anonymous via the whistleblowing channels. However, whistleblowers are encouraged to identify themselves to assist with providing any further information and to ensure that protection and support is provided.

The Eligible Whistleblower may choose the disclosee they feel is most appropriate in accordance with whose conduct is being reported.

EXTERNAL REPORTING

To access an independent and secure service, our External Auditor, RSM Australia Pty Ltd provide a Whistleblower reporting service.



Contact RSM by:

- Website: <https://www.rsm.global/australia/WBreporting> (entered details are communicated to RSM's whistleblower email address of RSMHelpline@rsm.com.au)
- Email: RSMHelpline@rsm.com.au
- Letter: To the Head of Fraud & Forensic Services, RSM Australia, Level 21, 55 Collins Street, Melbourne, VIC 3000



INTERNAL REPORTING

A current employee, temporary staff member, director or contractor can report their concerns to an immediate supervisor by calling their direct line.

All Eligible Whistleblowers may initiate contact with any of the following individuals by emailing or calling Foresters:

- Chief Risk Officer (CRO)
(If the misconduct relates to any member of staff other than the CEO and CRO)
- Chief Executive Officer (CEO)
(If the misconduct relates to a member of staff other than the Senior Management Team)
- Chair of the Risk Committee
(If the misconduct relates to a Senior Management Team member)

WHAT PROTECTIONS EXIST FOR WHISTLEBLOWERS?

- A Whistleblower is able to request positive action by the entity to protect them.
- All disclosures are to be treated as being submitted on a confidential basis, subject to any regulatory or legislative requirements or where the reportable conduct involves a threat to life, property or may involve, or potentially involve, illegal activities.
- Foresters will not prevent (whether through confidentiality agreement or otherwise) a prospective, current or former company officer, employee or contractor (including professional service providers) in making a disclosure to a regulator.
- Foresters will not take any disciplinary action against a whistleblower where a disclosure is unable to be substantiated or is found to be untrue, where a whistleblower had objectively reasonable grounds to suspect wrong-doing when the disclosure was made regarding the reportable conduct or was otherwise advised by Foresters' Senior Management to report the conduct.
- Whistleblowers must be supported and protected. It is not acceptable to terminate, demote, suspend, threaten, harass or in any other manner discriminate against a whistleblower.
- Foresters may not be able to extend the full level of protections and support set out in this Policy to whistleblowers who are not employees or officers of Foresters.
- A whistleblower may choose to remain anonymous. The identity of whistleblowers who wish to remain anonymous must be omitted from all reports relating to the disclosure.
- Investigations of reportable conduct are to be treated in a manner that is confidential, fair and reasonable.

WHAT ARE THE IMPLICATIONS OF MISREPORTING OF CONDUCT?

If it is found that a whistleblower has made a report that was not based on objectively reasonable grounds to suspect wrongdoing, then that conduct itself will be considered a serious matter and may lead to disciplinary action, including termination of employment. This will only be contemplated if not a protected disclosure.

However, Foresters notes that any disciplinary action may lead to compensation claims for victimisation against the business and thus Foresters will not take these actions unless it has kept appropriate records that support disciplinary action, having regard to the 'objectively reasonable' test and noting that reverse onus of proof applies for compensation claims for victimisation and breaches of confidentiality.

Further to this, Foresters will need to be able to provide evidence that its decision-making in relation to any detrimental treatment is based on a reason that is not connected to a protected disclosure. It will also need to demonstrate that it has taken reasonable steps to ensure compliance in this regard.

Penalties (financial and imprisonment) for breaching the confidentiality of the whistleblowers identify and/or for any victimising conduct of a person connected with the disclosure are significant for an individual and for a corporation.



WHAT IS INVOLVED IN THE WHISTLEBLOWING INVESTIGATION PROCESS?

We investigate and record all concerns fairly, objectively, and confidentially in accordance with the following process:

1. In the first instance, an immediate supervisor, the CRO, the CEO and the Chair of the Risk Committee should receive any reports of alleged wrongdoing.
2. All reports are treated in confidence and the option to remain anonymous is available. Foresters will protect the identity of the whistleblower.
3. Foresters will formally investigate all reports of misconduct in accordance with this Policy.
4. Disclosures received will be referred to a WIO for investigation and the WPO will be informed that they are required to protect the whistleblower from personal disadvantage as a result of making a report.
5. The whistleblower will be contacted by the WPO, as soon as practicable, to discuss their welfare and to discuss a communication process, if required.
6. The whistleblower will be informed of the WIO's appointment and the WIO will contact the whistleblower to acknowledge receipt of the disclosure and to establish a process, including expected timeframes, for reporting to the whistleblower on the progress of dealing with the disclosure.
7. The WIO will conduct investigations in an objective, independent and confidential manner without bias, and will be independent of the business unit in respect of which allegations have been made, the person who has made the disclosure, or any person who is the subject of the reportable conduct.
8. The whistleblower will be informed at the earliest possible opportunity in regard to the results of the investigation, where appropriate.
9. Appropriate corrective action will be taken as warranted by the investigation and a summary of the investigation process, findings and actions shall be reported to the Risk Committee.
10. Where investigations substantiate an allegation arising from the disclosure, the matter will be dealt with in accordance with established administrative or disciplinary procedures, which may result in disciplinary action, including termination of employment for the person who has engaged in the misconduct.
11. Any matters of a criminal nature will be reported to the police and, if appropriate, other appropriate regulatory authorities.
12. If a person who makes a disclosure considers that their disclosure has not been dealt with in accordance with this Policy, or that they have been subject to retaliation as a result of making the disclosure, the matter can be escalated to the WPO. The WPO in consultation with the Chair of the Risk Committee will determine the most appropriate course for handling the matter, which may include further investigation, informal resolution options or formal dispute resolution.
13. All records relating to whistleblower disclosures are to be retained in secure storage for a minimum period of 7 [seven] years unless local requirements specify a greater retention period.

INTERACTION WITH RELATED POLICIES

The policies listed below support this Policy:

- People & Culture Manual - Sets out Foresters' Code of Conduct and approach to the management of worker's complaints and grievances.
- RM-2 Compliance & Incident Management Policy – Sets out Foresters' complaints management process.
- OP-4 Fraud Policy and Control Plan - Sets out the principles and standards for the management of fraud risks and incidents within Foresters.

ASIC provides Guidance for Whistleblowers in their Information Sheet 52 as well Information Sheet 238 – Whistleblower rights and protections (INFO 238) and Information Sheet 239 – How ASIC handles whistleblower reports (INFO 239).

REVIEW OF POLICY

Any changes to this Policy will be approved by the Board and the Board will review the effectiveness of the implementation of this Policy annually or more frequently if required.

