

# Whistleblower Policy

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## Objective

This policy outlines the rights of officers, employees, contractors and consultants of K&S Freighters Pty Ltd (ACN 007 544 390) and the K&S group of companies (collectively "K&S") to report any perceived malpractice, impropriety, serious unethical behaviour, legal or regulatory non-compliance, or questionable accounting or audit matter and to expect and receive protection from any reprisal or detrimental action resulting from such disclosure.

## Purpose

The purpose of this policy is to detect and address unacceptable conduct, provide employees and contractors with an open working environment in which they are able to raise issues of legitimate concern to them and to K&S, to provide a process which can be used for reporting unacceptable conduct, and to protect people who report unacceptable conduct in good faith.

## 1. Policy

K&S is committed to fostering a culture of corporate compliance, ethical behaviour and good corporate governance. K&S will not act to the detriment of any employee as a consequence of them raising with management in good faith any actual or suspected breach of law or any violation of K&S' principles or values or any other legal or ethical concerns.

- **Who does this policy apply to?**

This policy applies to all employees and officers of K&S whether full time, part time or casual, at any level of seniority and wherever employed.

- **What is "whistleblowing"?**

In this policy, whistleblowing is the deliberate, voluntary disclosure by a person (sometimes referred to as a 'whistleblower') of individual or organisational malpractice, impropriety, serious unethical behaviour, legal or regulatory non-compliance, or questionable accounting or audit matter that involves K&S or one or more of its employees or contractors.

- **What sort of concerns should be reported?**

All employees and contractors are encouraged to report any genuine matter or behaviour which they honestly believe contravenes K&S' policies or the law. However, employees and contractors must ensure that they have reasonable grounds on which to base their disclosure and make the disclosure in good faith.

For the purposes of making a report under this policy, matters may include any of the following actual or suspected improper conduct:

- Conduct or practices which are illegal or breach any law;
- Breach of any of K&S' policies;
- Corrupt activities;
- Theft, fraud or misappropriation;
- Significant mismanagement or waste of funds or resources;
- Abuse of authority;
- Serious harm to public health, safety, environment or of any K&S employee;
- Any action taken against, or harm suffered by an employee as a result of making a report under this policy; *or*
- Any other kind of conduct which involves a serious impropriety.

- **Who do you report to?**

If an employee or contractor becomes aware of any matter or behaviour that he or she genuinely believes contravenes K&S' policies or the law, then they should in the normal course first report that matter to their immediate manager. All complaints of a serious nature will then be directed to the Group Legal Counsel / Company Secretary of K&S. However, if the employee or contractor has a concern with reporting the conduct to their immediate manager (for example if he or she reasonably believes that the manager is involved in the improper conduct), the report should be made directly to the Group Legal Counsel / Company Secretary of K&S. In the event that the concern relates to the Group Legal Counsel / Company Secretary, it should be reported direct to the Managing Director.

- **What happens after a report is made?**

All complaints reported to the Group Legal Counsel / Company Secretary will be documented and investigated promptly, with details of the complaint also reported at the next monthly meeting of the Board of Directors of K&S. The Group Legal Counsel / Company Secretary may form a committee to investigate the matter further comprising the Group Legal Counsel / Company Secretary, the Managing Director and the Chief Financial Officer of K&S. However, if the disclosure is an allegation made against a member of this committee, that person shall not be involved in the investigation and a member of the K&S' Audit Committee will sit on the investigating committee.

K&S will take appropriate corrective action as is warranted by the circumstances the subject of a report. That corrective action will include addressing any wrong doing the subject of the report and taking any action required to prevent any future occurrences of the same or similar conduct. The Group Legal Counsel / Company Secretary will, where applicable, provide feedback regarding the outcome of the investigation to the whistleblower and if no action is taken, will give the whistleblower an explanation why.

## 2. **Managing the Welfare of the Whistleblower**

- **Confidentiality**

K&S will take all reasonable steps to protect the identity of the whistleblower and to maintain the confidentiality of a person K&S knows or suspects to have made a disclosure. Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower. The contents of the report will also be kept confidential and no details of the employee's participation in the process will be included in that employee's personnel file or performance review. The report will not be disclosed to anyone except those who are actively involved in investigating the matters raised in the report and K&S' Directors.

- **Protection of whistleblowers**

K&S is committed to the protection of genuine whistleblowers against action taken in reprisal for the making of protected disclosures. Whistleblowers will not be discriminated against or disadvantaged in their employment with K&S for making a report in accordance with this policy, nor will whistleblowers receive reprisals due to their actions in making a report. K&S will take all reasonable steps to ensure that adequate and appropriate protection is provided for those who make a report in good faith. This protection applies if the matter reported is proved or not and regardless of whether it is referred to an external authority. All K&S employees and contractors must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a protected disclosure.

## 3. **Whistleblower's Implication in Improper Conduct**

K&S 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. Whistleblowing is not about airing a grievance, but rather about reporting a real or perceived malpractice. A report may damage the career prospects and reputation of people who are the subject of serious allegations. If a person's report is not made in good faith, or is found to be malicious, deliberately misleading or frivolous, the person making the report may be subject to disciplinary action.

#### **4. False Reporting by a Purported Whistleblower**

Where it is shown that a person purporting to be a whistleblower has deliberately made a false or malicious report, then the conduct of the person making the report will be considered a serious matter and render the person concerned subject to disciplinary proceedings as provided by K&S' internal policies and procedures.

#### **5. General Reporting**

In addition to informing Directors of any specific concerns reported by whistleblowers under this policy at monthly meetings of the Board of K&S, the Group Legal Counsel / Company Secretary of K&S will report annually to the Board of Directors of K&S summarising any whistleblowing activities for the period. The Group Legal Counsel / Company Secretary may also use this report to develop general proposals to improve the compliance culture of K&S. The Board may choose to publish a summary of K&S' whistleblowing program and its consequences for K&S in K&S' annual report to shareholders.

#### **6. Reporting Non-Compliance to Parties Outside of K&S**

It is K&S' aim to ensure that employees and contractors do not feel the need to discuss any concerns involving K&S outside the K&S group of companies without first using all reasonable endeavours to resolve those concerns direct with K&S. Employees and contractors are reminded of their duty to keep confidential information of K&S secret. If circumstances compel a person to consider making disclosures of non-compliance outside the K&S group of companies, K&S encourages people to reconsider whether someone in the group can help and recommends that, as a last resort, people take the matter to the police or other appropriate regulatory authority rather than to the media.

### **Review**

The contents of this policy will be reviewed on an annual basis by the Group Legal Counsel / Company Secretary to ensure that it complies with relevant laws and remains relevant and effective.

### **Application of Policy**

All K&S employees will be issued with a copy of this policy. They must sign a written statement acknowledging that they have received the policy, understand it and will comply with it.

Employees will be promptly notified of any material changes to this policy by the Group Legal Counsel / Company Secretary.

This policy, and any changes to it, must be endorsed by the Board of Directors.

### **K&S Corporation Board of Directors**

Adopted: 24<sup>th</sup> June 2008  
Reviewed: 1<sup>st</sup> February 2011  
Review Date: 24<sup>th</sup> March 2012