



Protected Disclosure (Whistle-Blower) Policy

Document Number: kslpol: 17/2015

Classification: Internal



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Document Control

Document Information

DETAILS	INFORMATION
Name:	Protected Disclosure (Whistle-Blower) Policy
Owner:	Chief Risk Officer
Document Status:	Current
Review cycle required:	Annually from the date of Approval and or when necessary.

Document History

DATE	REVIEW	BY	IDENTIFIER	VERSION
20/03/2015	Old template	Risk	kgpol:14/2015	1.1
19/06/2015	Approved	Board	kgpol:14/2015	1.2
04/05/2016	New Template	Risk	kgpol:14/2015	1.3
21/06/2016	Approved	Board	kgpol:14/2015	2.0
31/07/2017	Review	Manager Legal	kgpol:14/2015	2.1
21/03/2018	Review	Manager Legal	kgpol:14/2015	2.2
10/04/2019	Review	Manager Legal	kgpol:14/2015	2.3
12/06/2019	Review	Risk	kgpol:14/2015	2.4
12/11/2020	Review	Risk	kgpol:14/2015	2.5
8/03/2021	Review	Risk	kbpol:17/2015	2.6

Document Approval

ACTION	SIGNATURE	DATE
Approved	Board	21/06/2016
Approved	Board	22/08/2017
Approved	Board	20/06/2019
Approved	Board	20/04/2021

1. Introduction

The Board has established a comprehensive Risk Strategy and Management Framework to manage risks within Kina Bank. The framework includes internal systems, procedures and controls to mitigate risk together with independent assurance arrangements to verify that the controls are operational and working effectively. The Board is conscious, however, that formal controls and independent assurance systems have their limits and that individuals who work in the business and with the business are best placed to know of any breaches of law, regulations, internal policies Bank of Papua New Guinea (BPNG) Prudential Standards and the Australian Stock Exchange (ASX) Listing Rules.

The Board wishes to promote an organisational culture that values transparent, ethical and compliant behaviour and will not tolerate behaviour or conduct that departs from the high standards expected of Kina directors and employees. This Policy is intended to reinforce that culture and to provide secure and confidential measures whereby persons with concerns over any violation or breaches of regulatory obligations, unlawful conduct, misconduct or malpractice that has, or may have occurred, can report it without fear of reprisal, discrimination or harassment of any kind. A person who makes a protected disclosure should expect that the protected disclosures may be made in confidence and in the knowledge that it will be properly investigated and escalated to the appropriate level for it to be properly addressed.

This Policy details the following:

- the persons who are eligible to make protected disclosures;
- the protection available to whistleblowers;
- procedure for reporting and investigating protected disclosures;
- the designated persons or authorities to whom protected disclosures may be made and their powers to investigate disclosures and direct corrective action relating to such disclosures;
- how Kina Bank will support whistleblowers and protect them from detriment; and
- how Kina Bank will ensure fair treatment of employees who are mentioned in protected disclosures, or to whom such disclosures relate.

1.1 Application

This is a Group Policy and as such, it is also based on the premise that there are related legislative/prudential standards in the other jurisdictions that the Group operates in, which must be complied with. Hence, Kina Bank will comply with the minimum standards set out in this Policy. In the event a jurisdiction has local laws or regulations that apply a stricter standard than those set out in this document for managing Compliance Risk, the stricter legal obligation shall prevail over the applicable minimum standard.

This Policy ensures protection is provided to the following persons:

- a) Directors;
- b) Employees including casual employees;
- c) Consultants;
- d) Contractors and Suppliers;
- e) Customers of Kina Bank;
- f) Former Kina Bank Employees;

- g) Former Consultants, Contractors, Vendors or Suppliers including their employees;
- h) Business Associates; and
- i) Relatives and dependents of directors and employees including a spouse or former spouse.

1.2 Qualification for Protection

To qualify for protection under this Policy, the disclosures must relate to:

- a) A criminal offence;
- b) Illegal, unethical or questionable practices;
- c) Failure to comply with a regulatory obligation;
- d) Fraud;
- e) Gross Misconduct (as defined by Kina's HR Policies and Procedures Manual);
- f) Malpractice;
- g) Danger to the health and safety of employees, contractors or consultants;
- h) Damage to the environment;
- i) Corruption and bribery;
- j) Money laundering or terrorist financing;
- k) Breach of Contract;
- l) Breach of Internal Policies and Procedures or Processes;
- m) Misappropriation of company funds and or assets;
- n) Manipulation of records or data; or
- o) Concealment of information tending to show any of the above.

A disclosure made under this Policy is sufficient to attract its protections when there are reasonable grounds to suspect a breach, misconduct or a contravention or an improper state of affairs relating to the above circumstances and for the purpose of rectifying harm or damage done to Kina Bank and generally a person will not get benefit of this Policy if the disclosure is made for personal gain or arising from personal grievance.

To qualify for protection under this Policy the person making the disclosure must also state that the disclosure is being made under the terms of this Policy.

1.3 Limitations of Protection

The Policy will not apply:

- a) where a disclosure is found to be made recklessly and without foundation or is motivated by malice or made for personal gain;
- b) where the disclosure is false and misleading;
- c) where investigation shows the person making the disclosure to be a conscious and a willing party to the breach; or

- d) to personal or professional work-related grievances. Such grievances should be handled within normal line management complaint procedures.

1.4 Confidentiality

Kina Bank recognises that protected disclosures are made in confidence under this Policy. Kina Bank will not disclose the identity of the person making the disclosure without his or her consent unless Kina Bank is unable to resolve the matter without revealing the identity of the person, for instance, where his or her evidence is needed in a Court of Law. In such circumstance, Kina Bank will discuss with the person prior to disclosing his or her identity.

1.5 Anonymous Disclosures

Anonymous disclosures are allowed under the terms of this Policy. A person or persons making a protected disclosure may choose not to identify themselves. This anonymity should not prevent the allegation(s) reported as protected disclosures from being investigated however consideration will also be given to:

- a) the seriousness of the issues raised in the allegation;
- b) the likelihood of confirming the allegation from attributable sources; and
- c) the credibility of the concern raised.

2. Policy

2.1 Reporting and Investigating Process

The process for reporting and investigating of protected disclosures depends upon the persons to whom the protected disclosure is made. A 'Designated Person' may be an individual, a corporate body or a government regulator.

2.1.1 Reporting to Designated Persons

A whistle-blower can make a protected disclosure to the following designated persons:

- a) The Chair of Audit and Risk Committee of the Board;
- b) If the Chair of the Audit and Risk Committee is the subject of the disclosure, the disclosure can be made to the Chairman of the Board;
- c) If the Chairman of the Board is the subject of disclosure, the disclosure can be made to the External Auditor;
- d) To an Officer or Senior Manager of Kina except, in the case of a Kina Bank employee, not to his or her immediate manager or supervisor;
- e) If the Chair of the Audit and Risk Committee, the Chairman of the Board or a senior manager or officer is the subject of the disclosure, the disclosure may be made directly to BPNG;
- f) If the disclosure relates to an issue that is of emergency or public interest, the disclosure may be made to journalists or members of the Parliament in circumstances where at least ninety (90) days have passed since an earlier protected disclosure was made without reasonable steps having been taken to address the misconduct;; and
- g) Disclosures made to a lawyer for purposes of obtaining legal advice will also be regarded as protected disclosure.

2.1.2 Investigation Process

- a) Except for those protected disclosures properly reported to a Designated Person, the protected disclosures reported under this Policy will be investigated by the Chair of the Audit and Risk Committee or the Chairman of the Board or a designated person in Kina Bank.
- b) For purposes of this section of the Policy, the Chair of the Audit and Risk Committee or the Chairman of the Board or a senior manager or officer of Kina will be referred to as a Designated Person.
- c) All investigations shall be handled confidentially, independently and in an unbiased manner. The identity of the person under investigation and the Whistle blower will be kept confidential to the extent possible given the legitimate needs of the law and the investigation.
- d) Designated Persons should consider the confidentiality requirements and most importantly taking reasonable precautions and exercising due diligence to avoid a whistle blower suffering detriment as a result of the investigation.
- e) The Designated Person investigating the disclosure under this Policy shall have access to all the records and reports of the Company.

- f) To facilitate the investigation, a director or an employee may be called upon to respond to the Designated Person's questions. The director or the employee shall respond accordingly and provide any other information or material as and when requested to do so.
- g) Any director or employee assisting in the investigation shall also be protected to the same extent as the Whistle-Blower.
- h) In the event that the Designated Person determines that the disclosure is unfounded or without merit, the Designated Person will meet with the person who made the disclosure to explain the basis for that conclusion.
- i) The Whistle-blower may accept the Designated Person's conclusions or withdraw the disclosure or provide additional material in support of the disclosure which the Designated Person must investigate further.
- j) In the event the Designated Person determines that the disclosure is well founded, both the disclosure and the basis for the Designated Person's conclusion regarding it shall be escalated to the Audit and Risk Committee (Committee) to determine the appropriate course of action.
- k) Where the nature of the disclosure would reveal the identity of the person making the disclosure, the designated person should frame the advice to the Committee in generic terms.
- l) The Committee will determine the appropriate course of action having regard to Kina Bank's Code of Ethics and Business Conduct and any relevant policies including those listed in Section 4..
- m) Where the Committee considers that the investigation has not proven the allegation(s) in the disclosure, the Committee may require further in-house investigation by the Designated Person and or involve an external private investigator.
- n) Where the Committee is satisfied that the allegation(s) contained in the disclosure have been proven, the Committee must consider the appropriate course of action having regard to the seriousness of the breach.
- o) If the matter involves an employee of Kina Bank, the Chair of the Audit and Risk Committee must then advise the Chief Executive Officer (CEO) of the breach and Committee's recommended course of action.
- p) The CEO will have the opportunity to review the breach and the course of action and concur with it or agree with the Committee for an alternative course of action.
- q) The CEO and Chair of Audit and Risk Committee will then put the breach and the proposed course of action to the employee for a response.
- r) The CEO and Chair of Audit and Risk Committee will consider the employee's response and then agree on the course of action.
- s) The CEO will give effect to the agreed course of action.
- t) The Chair of the Audit and Risk Committee will advise the Committee that the matter has been dealt with as agreed.
- u) The Committee will advise the Board that an advice of a breach was received under this Policy and that it was investigated and resolved to the Committee's satisfaction.
- v) If the matter involves a Director of the Board, the Chair of Audit and Risk Committee will follow essentially the same process as outlined above except that the Chair of the Board will replace the CEO; and

- w) Where the breach constitutes a serious contravention of BPNG Prudential Standards, the Chair of the Audit and Risk Committee will advise the Chair of the Board who will promptly take responsibility for reporting the matter to BPNG.

2.2 Quarterly Report

The Chair of the Audit and Risk Committee shall submit a report to the Audit and Risk Committee on a quarterly basis about all Protected Disclosures together with the results of the investigations.

2.3 Point of Contact for External Auditor

The contact details for the External Auditor for the purposes of making a protected disclosure are:

Deloitte

Level 9

Deloitte Haus

Macgregor Street

Port Moresby, NCD

Telephone: (+675) 308 7000

Telecopier: (+675) 308 7001

2.4 Point of Contact for Chair of the Audit and Risk Committee

The contact details for the Chair of Audit & Risk Committee for the purposes of making a protected disclosure are:

Karen Smith-Pomeroy

Chair of the Audit and Risk Committee

Telephone: +61 418 778 952

Email: karenpom@gmail.com

2.5 Point of Contact for the Chairman of the Board

The contact details for the Chair of the Board for the purposes of making a protected disclosure are:

Isikeli Taureka

Chairman of the Board

Mobile Telephone: +675 71063007

Email: ktkapi6o@gmail.com

3. Policy Breaches

- 3.1 Any director, group of directors, employee or group of employees found to have victimised, bullied, harassed or caused an injury that is detrimental to a person as a result of that person having made a protected disclosure for alleged breaches against them will be guilty of gross misconduct and liable for instant dismissal and loss of all accrued benefits and rights.
- 3.2 For purposes of this section, detriment includes, but is not limited to, any of the following:
- a) dismissal of an employee;
 - b) injury of an employee in his or her employment;
 - c) alteration of an employee's position to his or her disadvantage;
 - d) discrimination between an employee and other employees of the same employer;
 - e) harassment or intimidation of a person;
 - f) harm or injury to a person, including psychological harm;
 - g) damage to a person's property;
 - h) damage to a person's reputation; and
 - i) damage to a person's business or financial position
- 3.3 Any person who makes a protected disclosure with malicious intentions or is false or misleading could also be held liable under the *Whistle-blower Act 2020*. The penalty for such disclosures is a fine of up to K10,000.00 or six (6) months imprisonment with hard labour.

4. Interaction with Other Kina Policies

This Policy is an integral part of Kina’s suite of governance policies. Relevant related policies include but are not limited to:

- Compliance Risk Management Strategy and Framework
- Code of Ethics and Business Conduct
- Conflict of Interest Policy
- Gift and Entertainment Policy
- Outsourcing Policy
- Complaints Policy
- Breach Management Policy
- Anti –Bribery and Corruption Policy
- Human Resources Policies and Procedures Manual
- Gift and Entertainment Reporting Form
- Gift and Disclosure Procedures
- Complaints Handling Procedures

5. Training and Communication

The Chief Risk Officer will ensure that this Policy is communicated to all Board members and employees at least once per year.

He/ She will also ensure that:

- appropriate training and communication is carried out to ensure that eligible recipients (designated persons) of disclosures know how to identify a whistle-blower report and what to do if or when they receive one, whilst encouraging a safe culture that allows employees to speak up on crimes or misconduct; and
- training and internal communications are also provided to employees in relation to how to make a disclosure and the rights and protections that will apply to protected disclosures.

6. Review and Retention of Documents

The Policy will be reviewed annually to ensure that:

- Reported disclosures meet the requirements of this Policy and other relevant Kina policies;
- proper document filing and retention procedures are being maintained; and
- Corrective measures have been taken to address reported disclosures.

This Policy will also be reviewed from time to time to take account of changes to legislation, regulatory developments or significant organizational changes such as changes in Kina's business operations, products, or services. Modifications that are necessary should be made expeditiously to minimize compliance risk, and applicable personnel in all affected operating units should be advised of the changes once these changes are approved by the Board.

All Protected Disclosures are to be made in writing and documented along with the results of investigation relating thereto and should be retained by Kina for up to a period of seven (7) years.