



Protected Disclosure (Whistle-Blower) Policy

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Document Control

Document Information

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Document Approval

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1. Introduction

The Board has established a comprehensive framework to manage risks within the Group. 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 those who work in the business and with the business are best placed to know of any breaches of law, regulations, internal policies, and Bank of Papua New Guinea (BPNG) Prudential Standards.

The Board wishes to promote an organisational culture that values open, transparent, ethical, legal, compliant behaviour and does not tolerate behaviour that departs from the high standards expected of Kina directors and employees. This Policy is intended to reinforce that culture and to provide a safe, secure, confidential means whereby persons with concerns over any breaches including any unlawful conduct, misconduct, malpractices, violation of any legal or regulatory provisions that has, or may have occurred, can report it without fear of reprisal, discrimination or harassment of any kind. It is expected that the protected disclosures will 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 will support whistleblowers and protect them from detriment; and
- how Kina will ensure fair treatment of employees who are mentioned in protected disclosures, or to whom such disclosures relate.

1.1 Application

This Policy affords protection to the following persons;

- Directors;
- Officers and Employees including casual employees;
- Consultants;
- Contractors and Suppliers;
- Customers of Kina;
- Former Officers and Employees;
- Former Contractors and Suppliers including their employees;
- Associates; and
- Relatives and dependents including a spouse or former spouse.

1.2 Qualification for Protection

To qualify for protection under this Policy concerns raised must generally relate to:

- A criminal offence;
- Illegal, unethical or questionable practices;
- Failure to comply with a legal obligation;
- Fraud;
- Gross Misconduct (as defined by Kina's HR Policies and Procedures Manual) ;
- Malpractice;
- Danger to the health and safety of employees, contractors or consultants;

- Damage to the Environment;
- Corruption and bribery;
- Money laundering and Terrorist Financing;
- Breach of Contract;
- Breach of Internal Policies;
- Misappropriation of company funds and or assets;
- Manipulation of records or data; or
- Concealment of information tending to show any of the above.

A disclosure made under this Policy is sufficient 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, not for personal gain. To qualify for protection under this Policy the person making the disclosure must also state it is being made under the terms of this Policy.

1.3 Limitations of Protection

The intent of this Policy is to protect the interests of a person who on reasonable grounds make a protected disclosure to Kina.

The Policy will not apply:

- where a disclosure is found to be made recklessly and without foundation or is motivated by malice or made for personal gain;
- where investigation shows the person making the disclosure to be a conscious and willing party to the breach; or
- to personal or professional work-related grievances. Such grievances should be handled within normal line management complaint procedures.

1.4 Confidentiality

Kina recognises that protected disclosures are made in confidence under this Policy. Kina will not disclose the identity of the person making the disclosure without his or her consent unless Kina 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 shall 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:

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

2. Policy

2.1 Procedure for Reporting Protected Disclosures

The procedure for handling of reported allegations or issues can be segregated into the designated persons or authorities to whom protected disclosures can be made and the investigative process.

(i) Designated Persons and Authorities

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

- The Chair of Audit and Risk Committee of the Board;
- If the Chair of the Audit and Risk Committee is the subject of the disclosure, the disclosure may be made to the Chairman of the Board;
- If the Chairman of the Board is the subject of disclosure, the disclosure may be made to the External Auditor;
- An Officer or Senior Manager of Kina except in the case of a Kina employee, his or her immediate manager or supervisor;
- 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;
- 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 extreme cases (excluding tax matters) 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, or there will be substantial and imminent danger to another person's health or safety; and
- Disclosures made to a lawyer for purposes of obtaining legal advice will also be regarded as protected disclosure.

(ii) Investigation Process

- Except for those protected disclosures reported to the External Auditor, BPNG or the other external designated authorities, 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 senior manager or officer of Kina.
- 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 the Designated Person.
- 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 law and the investigation.
- 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.
- The Designated Person investigating the disclosure under this Policy shall have access to all the records and reports of the Company.
- To facilitate the investigation, a director or an employee who may be called upon to respond to the Designated Person's questions shall respond accordingly and provide any other information or material as and when requested to do so.
- Any director, officer or employee assisting in the said investigation shall also be protected to the same extent as the Whistle-Blower.
- 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.
- The person making the disclosure 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.
- 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.

- 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.
- The Committee will determine the appropriate course of action having regard to Kina's Code of Ethics and Business Conduct.
- Where the Committee considers the investigation to date 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.
- 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.
- If the matter involves an employee of Kina, 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.
- 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.
- The CEO and Chair of Audit and Risk Committee will then put the breach and the proposed course of action to the employee for comment.
- The CEO and Chair of Audit and Risk Committee will consider any comments and then agree on the course of action.
- The CEO will give effect to the agreed course of action.
- The Chair of the Audit and Risk Committee will advise the Committee that the matter has been dealt with as agreed.
- The Committee will advise the Board that an advice of a breach was received under this Policy and that it was investigate and resolved to the Committee's satisfaction.
- 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
- 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

Any director, group of directors, employee or group of employees found to have victimised, bullied, harassed or causes 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.

Detriment includes, but is not limited to, any of the following:

- dismissal of an employee;
- injury of an employee in his or her employment;
- alteration of an employee's position to his or her disadvantage;
- discrimination between an employee and other employees of the same employer;
- harassment or intimidation of a person;
- harm or injury to a person, including psychological harm;
- damage to a person's property;
- damage to a person's reputation; and
- damage to a person's business or financial position

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.