

Nikko AM Australia Whistleblowing Policy

December 2019

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1. OVERVIEW

1.1. Introduction

Nikko Asset Management Australia Limited (**NAM AU**) is the holder of Australian Financial Services Licence (**AFSL**) number 229664 and acts as the Responsible Entity for a number of registered managed investment schemes and as trustee for unregistered managed investment schemes (collectively referred to as '**Funds**').

Nikko AM Limited (**NAML**) is the holder of AFSL number 237563 and acts as the appointed investment manager for:

- the Funds; and
- institutional mandates (**Portfolios**).

NAML also acts as investment advisor for a number of Separately Managed Accounts.

The Policy applies to both NAM AU and NAML (collectively '**Nikko AM Australia**').

Nikko AM Australia is committed to upholding the highest standards of business ethics and conduct. Nikko AM Australia considers this Policy to be of critical importance in identifying wrongdoing that may not be uncovered unless there is a safe and secure means of disclosing wrongdoing. Nikko AM Australia encourages and supports the reporting of Reportable Conduct by providing assurance to Whistleblowers that it is safe for them to speak up if they are aware of wrongdoing.

This Policy sets out the principles for making, receiving, investigating and addressing Reportable Conduct disclosures raised by Whistleblowers.

1.2. Purpose

The Purpose of this Policy is to:

- provide a clear framework within which to make a Protected Disclosure;
- ensure allegations of Reportable Conduct are properly and lawfully investigated and appropriately addressed;
- protect Whistleblowers from any detriment or reprisal that may stem from making a Protected Disclosure;
- support Whistleblowers throughout the process and not take any disciplinary action against a Whistleblower where a Protected Disclosure is unable to be substantiated or is found to be untrue, when the disclosure was made with reasonable grounds regarding the Reportable Conduct; and
- protect the identity of Whistleblowers where requested or where the Whistleblower wishes to remain anonymous.

Nothing in this Policy is intended to abrogate or diminish any additional or alternative protections which may be available at law.

1.3. Audience

This Policy applies to all Nikko AM Australia employees (permanent, contract and temporary). This Policy is available on the [Nikko AM Australia intranet](#). This Policy is available at www.nikkoam.com.au.

1.4. Management and Administration

This Policy is set by the Risk and Compliance Committee and reviewed every two years or as required. This Policy is managed and administered by Nikko AM Australia's Legal, Risk and Compliance team. Any amendments to this Policy require approval by the Risk and Compliance Committee.

1.5. Related Policies

This Policy should be read together with:

- Nikko AM Group Code of Ethics and Business Conduct;
- Nikko AM Grievance Resolution Procedure; and
- Nikko AM Australia Equal Opportunity, Discrimination and Harassment Policy.

2. DEFINITIONS

Eligible Person means all current and former directors, associate, officers, employees, service providers/ suppliers (including their respective employees), unpaid workers and contractors of Nikko AM Australia and their relatives and dependents.

Protected Disclosure is a report of Reportable Conduct made in accordance with this Policy.

Reportable Conduct refers to misconduct (including 'fraud, negligence, default, breach of trust and breach of duty'), or an improper state of affairs or circumstances, which includes, but is not limited to the following:

- dishonest, corrupt or illegal activities;
- theft, fraud, money laundering or misappropriation;
- a serious breach of the Nikko AM Australia's policies and procedures;
- offering or accepting a bribe;
- use of Nikko AM Australia's funds or resources in a manner that falls within the scope of Reportable Conduct;
- damage/sabotage, violence, drug and alcohol sale/use;
- risks to the health and safety of workers;
- unethical conduct;
- bullying, discrimination, harassment or abuse;
- victimising someone for reporting Reportable Conduct;
- recrimination against someone because they participated in an investigation or review;
- any instruction to cover up or attempt to cover up serious wrongdoing;
- a breach of Relevant Law; or
- otherwise represent a danger to the public or the financial system.

Reportable Conduct also includes disclosures in relation to tax avoidance behaviour and other tax issues that are reportable to the ATO under Relevant Law (see section 3.3 below).

For the avoidance of doubt, Reportable Conduct does not include personal work-related grievances. Examples of personal work-related grievances include matters such as interpersonal conflict between the discloser and another employee; a decision relating to the engagement, transfer or promotion of the discloser; a decision relating to the terms and conditions of engagement of the discloser; a decision to suspend or terminate the engagement of the discloser, or otherwise to discipline the discloser. These matters are to be addressed in accordance with Nikko AM Australia's Grievance Resolution Procedures (see related policy).

Disclosures that are not about disclosable matters do not qualify for protection under the Corporations Act (or the Taxation Administration Act, where relevant). However, such disclosures may be protected under other legislation, such as the Fair Work Act 2009 (Cth).

Relevant Law means:

- the Corporations Act 2001 (Cth) (**Corporations Act**);
- the Australian Securities and Investments Commission Act 2001 (Cth);
- the Banking Act 1959 (Cth);
- the Financial Sector (Collection of Data) Act 2001;
- the Insurance Act 1973 (Cth);
- the Life Insurance Act 1995 (Cth);
- the National Consumer Credit Protection Act 2009 (Cth);
- the Superannuation Industry (Supervision) Act 1993 (Cth); and
- the Taxation Administration Act 1953 (Cth) (**Taxation Administration Act**).

Whistleblower means an Eligible Person who makes or attempts to make a disclosure of Reportable Conduct.

Whistleblower Investigation Officer or WIO means the persons designated within Nikko AM Australia responsible for investigating Reportable Conduct disclosures and may be one or more of the following:

- the General Counsel and Company Secretary; or
- the Chair of the Risk and Compliance Committee.

Whistleblower Protection Officer or WPO means the Managing Director, General Counsel & Company Secretary or an Independent Director of NAM AU or NAML responsible for ensuring protection of the Whistleblower in accordance with this Policy. The WPO will have access to independent legal advisers as required. For the avoidance of doubt, the WPO cannot be the same person as the WIO.

3. HOW TO MAKE A DISCLOSURE

Any Eligible Person can report a Protected Disclosure based on information that is directly known to the Eligible Person or if the Eligible Person has reasonable grounds to suspect that the Reportable Conduct has occurred.

The Whistleblower must 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, emails, documents, witness).

A report may be made outside of business hours. In some instances, the Eligible Person and / or the person to whom a disclosure is being made may determine that there may be a more appropriate location and time to make a disclosure (e.g. off-site, before or after business hours). This determination in no way impacts the seriousness with which a disclosure is considered and investigated, but may be required in order for the Eligible Person to make the disclosure comfortably and ensuring that the Eligible Person is protected.

3.1. Internal

An Eligible Person can report as follows:

- verbally or in writing to his or her immediate Line Manager; or
- in writing to the Managing Director and General Counsel and Company Secretary at WPO@nikkoam.com; or
- an Independent Director of Nikko AM Australia.

If an Eligible Person makes a Protected Disclosure to an Independent Director, the Protected Disclosure will be discussed at a private meeting between the Independent Directors.

At any time, an Eligible Person who is unsure about whether to make a Protected Disclosure will be entitled to discuss the matter in confidence with their Line Manager or WPO. In the event that an Eligible Person does not formally make a Protected Disclosure, Nikko AM Australia may nevertheless act on the information provided if it reasonably believes that Reportable Conduct has occurred.

Where the Reportable Conduct involves a WPO or the Whistleblower considers that the matter should not be referred to the WPO, the Whistleblower may report to the Chair of the Risk and Compliance Committee.

Eligible Persons are encouraged to report to Nikko AM Australia in the first instance.

3.2. External

If for any reason, the Whistleblower does not feel they are able to report internally, they may contact:

- the Australian Securities and Investments Commission (please see [ASIC Information Sheet 239 How ASIC handles whistleblower reports](#));
- the Australian Federal Police; or
- Nikko AM Australia's external auditor

As noted above, if an Eligible Person makes a Protected Disclosure to an Independent Director, the Protected Disclosure will be discussed at a private meeting between the Independent Directors.

An Eligible Person will qualify for protection as a Whistleblower under the Corporations Act if they have made a disclosure of information relating to a 'disclosable matter' directly to an 'eligible recipient' or to ASIC, APRA or another Commonwealth body prescribed by regulation or if they have made a disclosure to a legal practitioner for the purposes of obtaining legal advice or legal representation about the operation of the whistleblower provisions in the Corporations Act.

3.3. Emergency and Public Interest Disclosures

Disclosures can be made to a journalist or parliamentarian under certain circumstances and qualify for protection. It is important for the Eligible Person to understand the criteria for making a public interest or emergency disclosure. A discloser should contact an independent legal adviser before making a public interest disclosure or an emergency disclosure.

A "public interest disclosure" is the disclosure of information to a journalist or parliamentarian where:

- a) at least 90 days have passed since the discloser made the disclosure to ASIC, APRA or another Commonwealth body prescribed by regulation;
- b) the discloser does not have reasonable grounds to believe that action is being, or has been taken, in relation to their disclosure;
- c) the discloser has reasonable grounds to believe that making a further disclosure of the information is in the public interest; and
- d) before making the public interest disclosure, the discloser has given written notice to body to which the previous disclosure was made that: (i) includes sufficient information to identify the previous disclosure; and (ii) states that the discloser intends to make a public interest disclosure.

An 'emergency disclosure' is the disclosure of information to a journalist or parliamentarian, where:

- a) the discloser has previously made a disclosure of the information to ASIC, APRA or another Commonwealth body prescribed by regulation;
- b) the discloser has reasonable grounds to believe that the information concerns a substantial and imminent danger to the health or safety of one or more persons or to the natural environment;
- c) before making the emergency disclosure, the discloser has given written notice to the body to which the previous disclosure was made that: (i) includes sufficient information to identify the previous disclosure; and (ii) states that the discloser intends to make an emergency disclosure; and (d) the

extent of the information disclosed in the emergency disclosure is no greater than is necessary to inform the journalist or parliamentarian of the substantial and imminent danger.

3.4. Taxation Disclosures

To qualify for protection under the tax whistleblower regime, the eligible whistleblower must have reasonable grounds to suspect that the information indicates misconduct or an improper state of affairs or circumstances in relation to tax affairs of the entity.

If a disclosure relates to a “disclosable matter” under the Taxation Administration Act then a “disclosures qualifying for protection” may be made to the ATO, an eligible recipient or a legal practitioner under the Taxation Administration Act. For further information about tax whistleblowers, including what constitutes a “disclosable matter” please see: <https://www.ato.gov.au/general/gen/whistleblowers/>.

4. PROTECTION

Nikko AM Australia is committed to protecting Whistleblowers from any reprisal or adverse action as a result of reporting a matter, including any belief or suspicion that a Whistleblower has reported a matter.

Examples of detrimental conduct that are prohibited under the law include (but are not limited to):

- a) dismissal of an employee;
- b) injury of an employee in his or her employment;
- c) alteration of an employee’s position or duties 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;
- i) damage to a person’s business or financial position; or
- j) any other damage to a person.

It is not acceptable to terminate, discriminate, demote, suspend, threaten, harass, intimidate, harm, injure (including psychological harm), damage to property or reputation, or in any other manner cause detriment to a Whistleblower. A discloser (or another person) who has been threatened in relation to a disclosure does not have to actually fear that the threat will be carried out.

Support services (including Nikko AM Australia’s Human Resources Department and Employee Assistance Program) will be available for confidential and / or anonymous use by the Eligible Person at all times. These resources can provide practical support to an Eligible Person by providing strategies to help a discloser minimise and manage stress, time or performance impacts, or other challenges resulting from the disclosure or its investigation. The Human Resources Department may also provide mechanisms to support an Eligible Person by providing for (at the Eligible Person’s request) flexible work arrangements or other modifications to the Eligible Person’s work arrangements.

A Whistleblower that reports matters upon reasonable grounds, and provided he or she has not been involved in the Reportable Conduct, will not be penalised or personally disadvantaged. The protections do not grant immunity for any misconduct a discloser has engaged in that is revealed in their disclosure.

Under the Corporations Act, a Whistleblower who makes a Protected Disclosure that qualifies for protection will not be subject to any civil, criminal or administrative liability (including disciplinary action) for making the disclosure and no contractual or other remedy may be enforced, and no contractual or other right may be exercised, against the Whistleblower on the basis of the disclosure.

A Whistleblower who believes he or she, or his or her relatives or dependents, has been the victim of any of the above by reason of their status as a Whistleblower, should immediately report the matter to the WPO. In this instances, the Nikko AM Australia Equal Opportunity, Discrimination and Harassment Policy must be followed.

An Eligible Person (or any other employee or person) can seek compensation and other remedies through the courts if: (a) they suffer loss, damage or injury because of a disclosure; and (b) Nikko AM Australia failed to take reasonable precautions and exercise due diligence to prevent the detrimental conduct. Eligible Persons should seek independent legal advice.

5. CONFIDENTIALITY AND PRIVACY

All reports and disclosures must be treated in confidence at all time, both during an investigation and resolution of the disclosure. All records relating to the Protected Disclosures including details of the Whistleblower are to be retained by Human Resources in a secure manner for a minimum period of 7 (seven) years.

Nikko AM Australia has a legal obligation to protect the confidentiality of a discloser's identity. A person cannot disclose the identity of a discloser or information that is likely to lead to the identification of the discloser (which they have obtained directly or indirectly because the discloser made a disclosure that qualifies for protection).

Except as required by law or as required to obtain legal advice, Nikko AM Australia will take all steps within its power to ensure the identity of a Whistleblower (including information that is likely to lead to the identification of the Whistleblower) remains confidential. Steps that Nikko AM Australia may take in order to maintain the confidentiality of a discloser include:

- redacting personal information in documents related to the disclosure and the investigation;
- referring to the Eligible Person in a gender-neutral context;
- secure storage of all paper and electronic documents and other materials relating to the disclosure through a drive with appropriately restricted permissions (i.e. restricted to those directly involved in managing and investigating the disclosure);
- communications and documents relating to the investigation of a disclosure will not to be sent to an email address or to a printer that can be accessed by other staff; and
- each person who is involved in handling and investigating a disclosure will be reminded about the confidentiality requirements, including that an unauthorised disclosure of a discloser's identity may be a criminal offence.

Nikko AM Australia will not disclose the identity of a Whistleblower or a Protected Disclosure unless:

- the Whistleblower consents to the disclosure;
- disclosure is required by law;
- disclosure is required to prevent a serious threat to any person's health or safety; or
- it is necessary to protect or enforce Nikko AM Australia's legal rights or interests or defend any claims. The group of people eligible and permitted to receive a disclosure include an officer or senior manager of Nikko AM Australia, and an auditor or actuary of Nikko AM Australia, legal practitioners, the Australian Federal Police, APRA and ASIC.

Whistleblowers can report anonymously (e.g. by writing a letter sent via an external post box or through an email account created specifically for the purpose of making a report). If a disclosure comes from an email address from which the person's identity cannot be determined, and the discloser does not identify themselves in the email, it should be treated as an anonymous disclosure. A discloser can choose to remain anonymous while making a disclosure, over the course of the investigation and after the investigation is finalised. Any supervisor or manager who receives a Whistleblower report must not disclose that report to anyone other than a WPO or the Chair of the Risk and Compliance Committee.

Unauthorised disclosure of the Whistleblower's identity or information from which the identity of the Whistleblower could be inferred will be regarded as a disciplinary matter and will be dealt with in accordance with the Nikko AM Australia's disciplinary procedures, and may attract civil or criminal penalties.

If at any stage during the reporting, investigation or following the investigation of a Protected Disclosure a discloser is of the view that confidentiality has been breached, the discloser may immediately raise a complaint to Nikko AM Australia or a regulator, such as ASIC, APRA or the ATO, for investigation of the alleged breach.

6. INVESTIGATION PROCEDURES

Protected Disclosures may only be investigated and acted upon following referral to a WPO. A person who is not the WPO must refer the Protected Disclosures to the WPO, take no further action and keep the disclosure confidential.

The WPO will assess the disclosure and refer the matter to the WIO for further investigation if appropriate. In each matter, Nikko AM Australia will need to assess each disclosure to determine whether: (a) it qualifies for protection; and (b) a formal, in-depth investigation is required.

A discloser who wishes to remain anonymous is encouraged to maintain ongoing two-way communication with Nikko AM Australia, so Nikko AM Australia can ask follow-up questions or provide feedback. It is important to understand that Nikko AM Australia may not be able to undertake an investigation if it is not able to contact the discloser (e.g. if a disclosure is made anonymously and the discloser has refused to provide, or has not provided, a means of contacting them). Nikko AM Australia is committed to ensuring fair treatment of the Whistleblower and any employees referred to in a reported matter, or to whom the Reportable Conduct is related. If a discloser wishes to remain anonymous, a discloser can refuse to answer questions that they feel could reveal their identity at any time, including during follow-up conversations.

Where an investigation is initiated, this will be a fair and independent process, without bias, conducted by the WIO. The investigation will focus on the substance, rather than the motive, of the disclosures. Investigators may avail themselves of relevant technical, financial or legal advice that may be required to support the investigation.

Investigations will be independent of the business unit in respect of which allegations have been made, the Whistleblower, or any person who is the subject of the Reportable Conduct. The object of investigation process is to collate information relating to the allegations of Reportable Conduct as quickly as possible, to consider the information collected, and to generate findings on the Reportable Conduct based on the evidence provided in an objective and impartial manner.

The investigation will observe the rules of natural justice, be conducted without bias and all persons involved will be given the right to make submissions and to respond to submissions. The investigation will be fully documented. The Whistleblower will be given regular updates throughout the process to keep them informed of the progress of the investigation. The investigation will be conducted in as timely a manner as possible, with regular updates provided to participants on the timeframes of the investigation.

If the Whistleblower reported anonymously, or if the WPO or WIO are otherwise unable to contact the Whistleblower, the documentation and findings related to any investigation will be retained in accordance with this Policy and the information that would have been available to the Whistleblower if they were involved in the investigation (including the findings) will continue to be available for the retention period, should the Whistleblower seek the information.

7. INVESTIGATION FINDINGS

The WIO will inform both the WPO and the Whistleblower of the outcome of the investigation.

Where the investigations substantiate an allegation arising from the Protected Disclosure, the matter will be dealt with in accordance with established administrative or disciplinary procedures, which may result in disciplinary action, including but not limited to termination of employment. Any matters of a criminal nature will be reported to the police and to other appropriate regulatory authorities as the WPO deems appropriate.

If the Whistleblower is dissatisfied with the findings of the investigation, he or she may seek review of the investigation. The review will be undertaken by an investigator independent of Nikko AM Australia, such as the General Counsel or Legal Counsel of a related body corporate. The findings of the review of the investigation will represent the final outcome of the investigation. Nikko AM Australia is not obliged to reopen an investigation and that it can conclude a review if it finds that the investigation was conducted properly, or new information is either not available or would not change the findings of the investigation. A discloser may lodge a complaint with a regulator, such as ASIC, APRA or the ATO, if they are not satisfied with the outcome of the investigation.

8. FALSE REPORTING

A false report of a Reportable Conduct could have significant impact on Nikko AM Australia's reputation and the reputations of its employees. Any deliberate false report will be treated as a serious disciplinary matter.