

PolyNovo Limited

Whistleblower Policy

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PolyNovo Limited ACN 083 866 862
A public company limited by shares

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1.	Purpose	3
2.	Scope of Whistleblower Protection Regime	3
2.1	Protected disclosures	3
2.2	Examples of disclosures that may be protected disclosures under this Policy	4
2.3	Personal work-related grievances	4
3.	Eligible whistleblowers	5
4.	Who can receive a disclosure	6
4.1	Initial contact point	6
4.2	Eligible recipients	6
5.	How Disclosures May be Made	7
5.1	Generally	7
5.2	Anonymous disclosure	7
6.	Handling and Investigation of Disclosures	7
6.1	Handling a disclosure	7
6.2	Investigating a disclosure	7
6.3	Keeping a discloser informed	8
7.	Protections Available to Eligible Whistleblowers	8
7.1	Introduction	8
7.2	Support for eligible whistleblowers	8
7.3	Protection of identity and confidentiality	8
7.4	Protection against victimisation	9
7.5	Other protections for eligible whistleblowers	9
7.6	Public interest disclosures	10
7.7	Emergency disclosures	10
7.8	Vexatious and deliberately false disclosures	11
8.	Documenting and reporting the findings of an investigation	11
9.	Fair treatment of employees named in a disclosure	11
10.	Consequences for breach of this Policy	11
11.	Access to this Policy	12
12.	Reporting of material matters to the Audit & Risk Committee	12
13.	Regular Review of Policy	12

1. Purpose

In Australia, the *Corporations Act 2001* (Cth) and the *Tax Administration Act 1953* (Cth) provide for certain protections for eligible whistleblowers (**Whistleblower Protection Regime**).

The purpose of this Policy is:

- (a) to set out the scope of, and protections available under, the Whistleblower Protection Regime and how disclosures may be made by eligible whistleblowers and handled by PolyNovo Limited and/or its related bodies corporate (**PolyNovo** or the **Company**); and
- (b) without limiting the generality of paragraph (a), to:
 - (i) ensure individuals who disclose wrongdoing can do so safely, securely and with confidence that they will be protected and supported;
 - (ii) ensure disclosures are dealt with appropriately and on a timely basis;
 - (iii) provide transparency around PolyNovo's framework for receiving, handling and investigating disclosures;
 - (iv) encourage more disclosures of wrong doing; and
 - (v) help deter wrongdoing in line with PolyNovo's risk management and governance framework.

The Policy:

- (a) supports PolyNovo's code of conduct;
- (b) supports PolyNovo's long-term sustainability and reputation;
- (c) meets PolyNovo's legal and regulatory obligations; and
- (d) aligns with the ASX Corporate Governance Principles and Recommendations and relevant standards (4th edition).

Disclosures under this Policy are an important part of PolyNovo's risk management and corporate governance framework. The Policy is a practical tool for helping PolyNovo to identify wrongdoing that may not otherwise be uncovered or disclosed. It is important that all individuals, whether or not employees of PolyNovo, who are aware of wrongdoing should have the confidence to speak up.

This Policy is not intended to go beyond the legislation. This policy is not a term of any contract, including any contract of employment and does not impose any contractual duties, implied or otherwise, on PolyNovo.

2. Scope of Whistleblower Protection Regime

2.1 Protected disclosures

*Eligible whistleblowers*¹ are afforded protections under the Whistleblower Protection Regime if the following conditions are met:

- (a) the disclosure is made to any of the following:
 - (i) an eligible recipient²;
 - (ii) a legal practitioner for the purpose of obtaining legal advice or legal representation in relation to the operation of the protections available under the Whistleblower Protection Regime³;

¹ As defined in section 3 of the Policy.

² As defined in section 4.2 of the Policy.

³ Legal advice regarding the operation of the protections under the Corporations Act must not be sought from a legal practitioner employed by PolyNovo. Independent legal advice is to be sought by an eligible whistleblower for this purpose.

- (iii) ASIC or APRA or a prescribed Commonwealth authority; or
 - (iv) the Commissioner of Taxation⁴ or a registered tax or BAS agent who provides tax agent or BAS services to PolyNovo; and
- (b) the discloser has reasonable grounds to suspect that the information:
- (i) concerns misconduct⁵ or an improper state of affairs or circumstances in relation to PolyNovo; or
 - (ii) indicates that PolyNovo or any employee or officer of PolyNovo has engaged in conduct that constitutes and offence against, or a contravention of, a provision of specified legislation (including the Corporations Act) an offence against any other law of the Commonwealth⁶, that is punishable by imprisonment for a period of 12 months or more or represents a danger to the public or the financial system.

The misconduct or an improper state of affairs or circumstances can be in respect of tax affairs and may not involve a contravention of a particular law. Examples of conduct which might be afforded protections under the Whistleblower Protection Regime even though there may not be a breach of a particular law may include:

- (a) a breach of a legal obligation by PolyNovo;
- (b) conduct which poses danger to the health and safety of an individual;
- (c) any systemic issue that the relevant regulator should know about to properly perform its functions;
- (d) conduct that relates to dishonest or unethical behaviour and practices;
- (e) conduct prohibited by PolyNovo's code of conduct; or
- (f) information that indicates a significant risk to public safety or the stability of, or confidence in, the financial system.

A disclosure under this Policy may be protected disclosure even if the disclosure turns out to be incorrect.

2.2 Examples of disclosures that may be protected disclosures under this Policy

Examples include:

- (a) illegal conduct, such as theft, dealing in, or use of illicit drugs, violence or threatened violence, and criminal damage against property;
- (b) fraud, money laundering or misappropriation of funds;
- (c) offering or accepting a bribe;
- (d) financial irregularities;
- (e) failure to comply with, or breach of, legal or regulatory requirements; and
- (f) victimization – see section 7.4.

2.3 Personal work-related grievances

A disclosure does not qualify for protection under the Whistleblower Protection Regime to the extent that the information disclosed:

- (a) concerns a personal work-related grievance of the eligible whistleblower; and
- (b) does not concern a contravention, or an alleged contravention, of the prohibition of victimisation under the Whistleblower Protection Regime as set out in section 7.4 of this Policy.

⁴ For disclosures which may assist the Commissioner of Taxation to perform his/her functions or duties under a taxation law in relation to PolyNovo or an associate of PolyNovo.

⁵ For the purposes of this Policy, **misconduct** includes fraud, negligence, default, breach of trust and breach of duty.

⁶ Other legislation comprises the Australian Securities and Investments Commission Act 2001; the Banking Act 1959 (Cth); the Financial Sector (Collection of Data) Act 2001; the Insurance Act 1973; the Life Insurance Act 1995; the National Consumer Credit Protection Act 2009; the SIS Act or an instrument made under those Acts.

A disclosure is a personal work-related grievance if:

- (a) the information concerns a grievance about any matter in relation to an eligible whistleblower's employment, or former employment, having (or tending to have) implications for the eligible whistleblower personally; and
- (b) the information:
 - (i) does not have significant implications for PolyNovo, or another regulated entity, that does not relate to the discloser; and
 - (ii) does not concern conduct, or alleged conduct, referred to in paragraph 2.1 under the heading "Protected Disclosures" above.

Examples of personal work-related grievances include:

- (a) an interpersonal conflict between the discloser and another employee; and
- (b) decisions that do not involve a breach of workplace laws:
 - (i) about the engagement, transfer or promotion of the discloser;
 - (ii) about the terms and conditions of engagement of the discloser; or
 - (iii) to suspend or terminate the engagement of the discloser, or otherwise to discipline the discloser.

Disclosure about, or including, a personal work-related grievance may nevertheless still qualify for protection, for example if:

- (a) it also includes information about misconduct, or information about misconduct includes or is accompanied by a personal work-related grievance (mixed report);
- (b) PolyNovo has breached employment or other laws punishable by imprisonment for a period of 12 months or more, engaged in conduct that represents a danger to the public, or the disclosure relates to information that suggests misconduct beyond the discloser's personal circumstances;
- (c) the discloser suffers from or is threatened with detriment for making a disclosure; or
- (d) the discloser seeks advice or legal representation about the operation of the Whistleblower Protection Regime.

Information on how employees can internally raise personal work-related grievances and other types of issues or concerns that are not covered by this Policy can be found in the PolyNovo employee manual.

Employees are encouraged to seek legal advice about their protections under employment or contract law, and to resolve their personal work-related grievances.

3. Eligible whistleblowers

A person is an **eligible whistleblower** for the purposes of this Policy if they are or have previously been:

- (a) an officer⁷ of PolyNovo;
- (b) an employee of PolyNovo (including without limitation a part time, fixed term or temporary employee);
- (c) a person who supplies goods or services to PolyNovo (whether paid or unpaid), and employees of those suppliers;
- (d) an individual who is an associate of PolyNovo; or

⁷ For the purposes of this Policy, *officer* refers to a director or secretary of PolyNovo; a person who makes or participates in making decisions that affect the whole or a substantial part of the business of PolyNovo; a person who has the capacity to significantly affect PolyNovo's financial standing; or a person in accordance with whose instructions or wishes the directors of PolyNovo are accustomed to act.

- (e) a relative, dependant or a dependant of the spouse of any individual referred to in paragraphs (a) to (d) above.

4. Who can receive a disclosure

4.1 Initial contact point

Employees should contact PolyNovo's Company Secretary or CEO if the matter is in relation to the Company Secretary, to obtain accurate and confidential advice or information about the following without making a disclosure:

- (a) how this Policy works;
- (b) what this Policy covers; and
- (c) how a disclosure might be handled.

4.2 Eligible recipients

For protections under the Whistleblower Protection Regime to apply, a disclosure must be made directly to an 'eligible recipient', regardless of whether the eligible whistleblower or the recipient recognizes that the disclosure qualifies for protection at that time.

PolyNovo encourages disclosures be made internally to the persons referred to below (each, **Authorised Recipient**), each of whom has relevant experience to deal with such matters.

Authorised Recipients can be contacted in the following ways:

- (a) to the Company's Audit and Risk Committee namely non-executive directors Philip Powell (pjpsaint66@gmail.com), Bruce Rathie (bruce@rathie.com.au) and Max Johnston (max_johnston249@bigpond.com) at
- (b) to the Company's **Company Secretary Mr. Jan Gielen**:

Address: 1/320 Lorimer Street, Port Melbourne, VIC 3207

Email: Jan.g@polynovo.com

While PolyNovo encourages disclosures to an Authorised Recipient, if the subject matter of disclosure relates to a director of the Company, it should be raised directly with **Chair of the Board**, who can be contacted in the following ways:

Address: Level 48, 120 Collins Street, Melbourne, VIC 3000

Email: dwilliams@kidder.com.au

If an eligible whistleblower does not feel comfortable raising their disclosure with an Authorised Recipient, they could also raise it with any of the following:

- (c) an officer or senior manager of the Company or a related body corporate. For these purposes, a senior manager includes [eg, the CEO, the CFO, others]; or
- (d) the internal or external auditors of the Company (including a member of the audit team conducting the audit).

5. How Disclosures May be Made

5.1 Generally

PolyNovo is committed to identifying and addressing wrongdoing as early as possible. Where an eligible whistleblower is aware of or suspects misconduct or an inappropriate state of affairs, the eligible whistleblower is encouraged to disclose that information to an eligible recipient as soon as reasonably practicable.

Disclosures may be made by eligible whistleblowers to eligible recipients in writing, in person or via telephone.

5.2 Anonymous disclosure

Disclosures may be made anonymously or on a confidential basis by eligible whistleblowers through an anonymised email address. They can refuse to answer questions that they feel could reveal their identity during follow-up conversations. A discloser may choose to adopt a pseudonym for the purposes of disclosure and not use their true name. However, eligible whistleblowers are encouraged to consent in writing to having their identity disclosed as this will assist in a more effective investigation of the matter and will enable PolyNovo to keep the eligible whistleblower informed of the progress of the investigation.

At the least, anonymous disclosers should maintain two-way communication with their Authorised Recipient so PolyNovo can ask follow-up questions or provide feedback.

PolyNovo's approach is intended to help build confidence and trust in this Policy as well as its processes and procedures.

6. Handling and Investigation of Disclosures

6.1 Handling a disclosure

Where a disclosure is made under this Policy, PolyNovo will need to make preliminary enquiries to decide whether it falls within the Policy and whether a formal in-depth and full investigation is required. If it is determined that such an investigation is required, then, depending on the nature of the disclosable matter, a disclosure will be either investigated internally or referred externally for investigation.

6.2 Investigating a disclosure

The Audit & Risk Committee and Company Secretary will be responsible for handling and investigating the disclosure. The referral of a disclosure for investigation which qualifies for protection under the Whistleblower Protection Regime will be done in accordance with the confidentiality obligations that PolyNovo owes to the eligible whistleblower.

If PolyNovo determines that it will need to investigate a disclosure, PolyNovo will need to determine:

- (a) the nature and scope of the investigation;
- (b) the persons within and/or outside PolyNovo that should lead the investigation;
- (c) the nature of any technical, financial or legal advice that may be required to support the investigation; and
- (d) the timeframe for the investigation.

PolyNovo will acknowledge a discloser after receiving their disclosure and provide updates during the key stages, comprising:

- (a) when the investigation process has begun;
- (b) while the investigation is in progress; and
- (c) after the investigation has been finalized.

6.3 Keeping a discloser informed

PolyNovo will aim to keep the eligible whistleblower regularly updated and informed of the progress of the investigation. However, due to obligations of confidentiality, PolyNovo may be prohibited from providing details of the investigation or any disciplinary action taken as a result of an investigation. In addition, the frequency and timeframe may vary depending on the nature of the disclosure.

7. Protections Available to Eligible Whistleblowers

7.1 Introduction

PolyNovo will support eligible whistleblowers who disclose matters on a bona fide basis.

Specific protections are available to eligible whistleblowers for disclosures which qualify for protection under the Whistleblower Protection Regime.

Disclosures that qualify for protection under the Whistleblower Protection Regime may also amount to the exercise of a workplace right. PolyNovo and its employees are prohibited under the *Fair Work Act 2009* (Cth) from taking adverse action against employees or contractors because they exercised or propose to exercise any workplace rights.

7.2 Support for eligible whistleblowers

Where a disclosure is made under this Policy, PolyNovo will reiterate the requirements of this Policy with any person concerned in the investigation of the disclosure.

As stated in Section 6 of this Policy, PolyNovo will conduct investigations in a manner which is fair in all of the circumstances and will also have regard to the protections afforded to the eligible whistleblower and the privacy and fair treatment of persons referred to in the disclosure, including those to whom the disclosure relates.

7.3 Protection of identity and confidentiality

For disclosures which qualify for protection under the Whistleblower Protection Regime, strict confidentiality obligations apply.

The identity or any information that may lead to the identification of an eligible whistleblower must be kept confidential unless one of the following exceptions apply:

- (a) the eligible whistleblower has consented to the disclosure of their identity;
- (b) the eligible whistleblower's identity is not disclosed but disclosure of information that is likely to lead to the identification of the eligible whistleblower is reasonably necessary for the purposes of investigating a matter; or
- (c) the disclosure is made to:
 - (i) a member of the Australian Federal Police;
 - (ii) ASIC or APRA (in relation to disclosures which qualify for protection under the Corporations Act);
 - (iii) the Commissioner of Taxation (in relation to disclosures which qualify for protection under the Tax Act);
 - (iv) a legal practitioner for the purpose of obtaining legal advice or legal representation in relation to the operation of the protections under the Corporations Act; or
 - (v) a body prescribed by the relevant regulations.

It is illegal for a person to identify a discloser or disclose information that is likely to lead to the identification of the disclosure, outside the exceptions in (a) – (c) above or the following paragraph.

A person can disclose the information in a disclosure with or without the discloser's consent if:

- (a) the information does not disclose the discloser's identity;

- (b) the entity has taken all reasonable steps to reduce the risk that the discloser will be identified from the information; and
- (c) it is reasonably necessary for investigating the issues raised in the disclosure.

If a discloser has concerns about a breach of confidentiality they can lodge a complaint with PolyNovo by contacting the Audit and Risk Committee, refer to section 4.2 for contact details.

A discloser may also lodge a complaint with a regulator, such as ASIC, APRA or the ATO, for investigation.

7.4 Protection against victimisation

For disclosures which qualify for protection under the Whistleblower Protection Regime, it is unlawful for a person to:

- (a) engage in conduct that causes any detriment to an eligible whistleblower or another person because the person engaging in the conduct believes or suspects that the eligible whistleblower or another person made, may have made, proposes to make, or could make, a protected disclosure under the Whistleblower Protection Regime; or
- (b) make a threat (whether express or implied, conditional or unconditional, intentional or reckless) to cause any detriment to an eligible whistleblower or another person because the whistleblower or another person has made, or may make, a protected disclosure.

For the purposes of this Policy, **detriment** includes:

- (a) dismissal of an employee;
- (b) injury of an employee in their employment;
- (c) alteration of an employee's position or duties to their disadvantage;
- (d) discrimination between an employee and other employees;
- (e) harassment or intimidation of a person;
- (f) harm or injury to a person, including psychological harm;
- (g) damaging a person's property, reputation, business or financial position; and
- (h) any other damage to a person.

Penalties apply for engaging in any of the conduct referred to above. Any person involved in the contravention may be found liable.

If a person suffers a detriment or threatened detriment by another person's conduct that is in contravention of the Whistleblower Protection Regime, the person may apply to the court for an order of compensation or another remedy against those involved.

Courts are given broad scope to make orders remedying a detriment or threatened detriment. These include making/ordering injunctions, compensation orders (including against individual employees and their employers), reinstatements, exemplary damages, and the making of apologies.

Some actions are not detrimental conduct. For example, administrative action that is reasonable to protect a discloser from detriment and managing a discloser's unsatisfactory work performance, where this is in line with PolyNovo's performance management framework.

Eligible whistleblowers and potential eligible whistleblowers are encouraged to seek independent legal advice.

7.5 Other protections for eligible whistleblowers

For disclosures which qualify for protection under the Whistleblower Protection Regime, eligible whistleblowers are afforded the following protections:

- (a) the eligible whistleblower will not be subject to any of the following in relation to their disclosure:
 - (i) civil liability (eg, any legal action against the discloser for breach of an employment contract, duty of confidentiality or other contractual obligation);

- (ii) criminal liability (eg, attempted prosecution of the discloser for unlawfully releasing information, or other use of the disclosure against the discloser in a prosecution (other than for making a false disclosure); and
 - (iii) administrative liability (eg, disciplinary action for making the disclosure).
- (b) no contractual or other remedy may be enforced, and no contractual or other right may be exercised, against the eligible whistleblower on the basis of the disclosure;
 - (c) if the disclosure was a disclosure of information to ASIC or APRA (for the purposes of the Corporations Act) or to the Commissioner of Taxation (for the purposes of the Tax Act), the information is not admissible in evidence against the person in criminal proceedings or in proceedings for the imposition of a penalty, other than proceedings in respect of the falsity of the information disclosed; and
 - (d) if the eligible whistleblower or another person suffers detriment, as set out in as set out in section 7.4 of this Policy, the individual may be entitled to compensation or other remedies.

These protections do not however grant immunity for any misconduct a discloser has engaged in that is revealed in their disclosure.

7.6 Public interest disclosures

There is an additional category of disclosures called 'public interest disclosures' that qualify for protection. These can be made to journalists and members of Parliament, but only if the eligible whistleblower complies with the following strict requirements:

- (a) the eligible whistleblower must have first made a qualifying disclosure to ASIC, APRA, or a prescribed Commonwealth authority;
- (b) at least 90 days has passed since the qualifying disclosure was made;
- (c) the eligible whistleblower does not have reasonable grounds to believe that action is being, or has been, taken to address the matters to which the qualifying disclosure related;
- (d) the eligible whistleblower has reasonable grounds to believe that making a public interest disclosure would be in the public interest;
- (e) after 90 days has passed, the eligible whistleblower must give the body to which the qualifying disclosure was originally made, a written notification that:
 - (i) includes sufficient information to identify the qualifying disclosure; and
 - (ii) states that the eligible whistleblower intends to make a public interest disclosure; and
- (f) the extent of the information disclosed in the public interest disclosure is no greater than to inform the journalist or member of Parliament of the misconduct or improper state of affairs or circumstances, or other conduct falling within the scope of the Whistleblower Protection Regime.

7.7 Emergency disclosures

There is an additional category of disclosures called 'emergency disclosures' that qualify for protection. These can be made to journalists and members of Parliament, but only if the eligible whistleblower complies with the following strict requirements:

- (a) the eligible whistleblower must have first made a qualifying disclosure to ASIC, APRA or a prescribed Commonwealth authority;
- (b) the eligible whistleblower has reasonable grounds to believe that information concerns a substantial and imminent danger to the health or safety of one or more persons or to the natural environment;
- (c) the eligible whistleblower gave notice to the body to which the qualifying disclosure was made that states:
 - (i) that they intend to make an emergency disclosure; and

- (ii) includes sufficient information to identify the qualifying disclosure; and
- (d) the extent of the information disclosed in the emergency disclosure is no greater than is necessary to inform the journalist or member of Parliament of the substantial and imminent danger.

Before making a public interest or emergency disclosure, it is important that an eligible whistleblower understands the criteria for protection under the relevant legislation. Eligible whistleblowers should obtain independent legal advice prior to making any disclosure.

7.8 Vexatious and deliberately false disclosures

A discloser will only be protected by PolyNovo if they have objectively reasonable grounds to suspect that the information that they disclose concerns misconduct or an improper state of affairs or circumstances or other conduct falling within the scope of the Whistleblower Protection Regime.

The protections available under the Whistleblower Protection Regime will not extend to deliberately false or vexatious disclosures or complaints. Deliberately false reports involve a discloser reporting information they know to be untrue. However a vexatious or deliberately false report does not include situations where a discloser reasonably suspects misconduct, but their suspicions are later determined to be unfounded.

Nevertheless, if any investigation of a disclosure demonstrates that it was not made on objectively reasonable grounds, it will not be protected.

Depending on the circumstances, it may be appropriate for PolyNovo to take disciplinary action (including termination of employment) against any person who does not have objectively reasonable grounds for their disclosure. This is to protect the reputations not only of PolyNovo but of individuals who may have been unfairly named in the false disclosure.

8. Documenting and reporting the findings of an investigation

Where appropriate, the Company will report findings of an investigation to the Audit and Risk Committee. The method for documenting and reporting the findings of an investigation will depend on the nature of the disclosure – but may include a summary report of the findings. Any reporting of findings will have regard to applicable confidentiality requirements. There may be circumstances where it may not be appropriate to provide details of the outcome to the eligible whistleblower.

9. Fair treatment of employees named in a disclosure

It is important that all investigations of disclosures made under this Policy are conducted in a procedurally fair and confidential manner, to ensure the fair treatment of any individuals named in the protected disclosure or to whom the protected disclosure relates.

PolyNovo will take reasonable steps to ensure that those employees against whom a disclosure is made are provided with support and/or assistance by PolyNovo.

Before any action is taken against a person against whom a disclosure is made, PolyNovo will ensure due process is observed. Disciplinary action will only be taken where there is cogent evidence of the alleged misconduct or improper state of affairs or other conduct falling within the scope of the Whistleblower Protection Regime.

10. Consequences for breach of this Policy

All employees of PolyNovo are responsible for understanding and complying with this Policy.

Breach of this Policy may be regarded as misconduct and may lead to disciplinary action up to and including termination of employment or engagement, as applicable.

In particular, eligible recipients must be aware of their obligations under the Whistleblower Protection Regime to maintain confidentiality of the identity of an eligible recipient and any

information that would lead to the identification of an eligible recipient, unless one of the exceptions applies.

11. Access to this Policy

This Policy including any updates to this Policy will be made available to officers and employees of PolyNovo through the relevant PolyNovo intranet page. In addition, this Policy will be published on the PolyNovo website, and will be incorporated in employee induction information packs and training for new starters.

PolyNovo will conduct or engage third parties to conduct upfront and ongoing education and training regarding this Policy and its policies and procedures.

12. Reporting of material matters to the Audit & Risk Committee

In accordance with the Fourth Edition of the ASX Corporate Governance Principles and Recommendations, the Risk Management Committee will be notified of any material matters reported under this Policy at each of its scheduled meetings, having regard to the obligations of confidentiality set out in this Policy.

13. Regular Review of Policy

This Policy must be reviewed as required from time to time to ensure it remains consistent with the PolyNovo Group's objectives and existing regulatory requirements and recommendations.

PolyNovo Limited

20 December 2019