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POLICY TITLE:

WHISTLEBLOWER POLICY

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INDEX

1. TITLE.....2

2. PURPOSE.....2

3. APPLICATION / SCOPE2

4. POLICY / PROCEDURE2

4.1 HOW TO MAKE A REPORT.....2

4.2 INVESTIGATING UNACCEPTABLE CONDUCT.....3

4.3 REPORTING PROCEDURES4

4.4 DUTIES OF EMPLOYEES IN RELATION TO UNACCEPTABLE CONDUCT5

4.5 FALSE UNACCEPTABLE CONDUCT REPORTS.....5

4.6 SPECIAL PROTECTION UNDER THE CORPORATIONS ACT5

5. DEFINITIONS AND ABBREVIATIONS6

1. TITLE

WHISTLEBLOWER POLICY

2. PURPOSE

The purpose of this Policy is to set out a process for people to raise any concerns and report instances of any potential breach of law or potential violation of S2 Resources Ltd (S2)'s principles or values or any other legal or ethical concern without the fear of reprisal or intimidation with the support and protection of S2. S2 is committed to ensuring that Whistleblowers will not suffer detriment for reporting Unacceptable Conduct in good faith, where the reporting procedure has been followed.

The S2 Board is committed to fostering a culture of corporate compliance, ethical behaviour and good corporate governance.

3. APPLICATION / SCOPE

This policy applies to Directors and employees, suppliers, contractors, employees of company contractors, tenderers or any other person who has business dealings with S2.

Any breach of law or any violation of S2's principles, culture, values, policies, procedures or any other legal or ethical concern is referred to in this policy as Unacceptable Conduct. For the avoidance of doubt, a potential breach or potential violation is not a breach or violation until such time as the matter is fully investigated and the allegation is substantiated.

UNACCEPTABLE CONDUCT

Unacceptable Conduct covered by this Policy includes any conduct that:

- is dishonest, fraudulent or corrupt;
- is illegal, such as theft, drug sale or use, violence, harassment or intimidation, criminal damage to property or other breaches of state or federal law;
- is unethical or in breach of S2's policies such as dishonestly altering company records or data, adopting questionable accounting practices or wilfully breaching S2'S Code of Conduct, Corporate Governance or Human Resources policies;
- is potentially damaging to S2, an S2 employee or a third party, such as unsafe work practices, environmental damage, health risks or substantial wasting of company resources;
- amounts to an abuse of authority including misrepresenting S2 or representing S2 without authorisation ;
- may cause financial loss to S2 or damage its reputation or be otherwise detrimental to S2's interests;
- involves bribery or a conflict of interest;
- involves any other kind of serious impropriety; or
- involves harassment, discrimination, victimisation or bullying.

4. POLICY / PROCEDURE

4.1 HOW TO MAKE A REPORT

There are various channels for making a report if a Whistleblower becomes aware of any issue or behaviour which he or she considers to be Unacceptable Conduct including:

- if the Whistleblower is an employee or an individual contractor working within an S2 team, raise the matter with your immediate supervisor or manager. Supervisors or managers to whom Unacceptable Conduct is reported, are expected to take the matter to a Protected Disclosure Officer;
- report the matter in confidence to a Protected Disclosure Officer, being:
 - the Company Secretary, Anna Neuling by phone (08) 6166 0240 or by email anna.neuling@s2resources.com.au; or
 - the Chairman, Jeff Dowling by phone (08) 6166 0240 or by email jeff.dowling@s2resources.com.au

Upon the receipt of a report, the Protected Disclosure Officer will determine whether the conduct is Unacceptable Conduct under this Whistleblower Policy or whether the matter is a general grievance matter. If a determination is made that the conduct is a general grievance matter and not Unacceptable Conduct under this Whistleblower Policy, the matter shall be referred to the person who has had the report made against them, their Line Manager and Human Resources. Such matters will be handled in accordance with S2's Disciplinary Procedures.

4.2 INVESTIGATING UNACCEPTABLE CONDUCT

Unacceptable Conduct will be treated seriously and be the subject of a thorough formal investigation process. S2 will investigate all cases of Unacceptable Conduct made under this Policy as soon as practicable after the matter has been reported.

Subject to the Company's obligations under the Privacy Act and all other relevant legislation, S2 will keep the Whistleblower informed on the progress of the investigation.

Subject to the Company's obligations under the Privacy Act and all other relevant legislation, S2 will provide the Whistleblower with a brief summary of the outcomes of the investigation. All Whistleblowers must maintain confidentiality and not disclose any details of the investigation.

The investigation will be conducted in a timely, thorough, confidential, objective and fair manner and as reasonable and appropriate having regard to the nature of the Unacceptable Conduct and all of the circumstances.

Investigations are to be undertaken by an Investigations Officer. The Investigations Officer will respond to all concerns raised and reports to the Protected Disclosure Officer.

The Protected Disclosure Officer will appoint an Investigation Officer on a case by case basis. The Investigation Officer likely to be asked to carry out the investigation will be:

- a manager or senior executive;
- an external independent resource; or
- another suitably qualified person depending on the matter to be investigated.

The person who has had a claim made against them, will be informed of the allegation and will be given the opportunity to respond to the allegation. Any response to the allegation will form part of the report that arises from the investigation.

S2 will keep all persons informed of the progress of the investigation and outcomes, as reasonable, and having regard to the nature of the Unacceptable Conduct and all of the circumstances including any legal considerations.

At the end of the investigation, the Investigation Officer will report their findings to the Protected Disclosure Officer, who in conjunction with the Managing Director will determine the appropriate response. If the Managing Director is the employee under investigation then the Chairman shall take the Managing Director role in this instance.

Should the investigation substantiate the claims made by the Whistleblower, this will be regarded as a serious disciplinary matter and will be dealt with in accordance with S2's disciplinary procedures.

Should the investigation refute the claims made by the Whistleblower, then the person who has had the claims made against them, will be advised accordingly and will be entitled to continue in their role as if the allegations were not made.

4.3 REPORTING PROCEDURES

Protected Disclosure Officers will report to the S2 Board on Whistleblower allegations annually. These reports will be made on a 'no names' basis, maintaining the confidentiality of matters raised under this Policy. In general, these reports will:

- provide a summary of Unacceptable Conduct incident reports made on a 'no names' basis, their status and action being taken;
- identify any patterns of Unacceptable Conduct; and
- make recommendations, as appropriate, such as recommending the allocation of resources or areas requiring further attention.

The Audit and Risk Committee will receive copies of all Whistleblower reports from Protected Disclosure Officers at the next scheduled Audit and Risk Committee meeting or prior, if appropriate.

Where a report of suspected Unacceptable Conduct relates to a serious material matter, then the matter will be immediately referred to the Chairman of the Audit and Risk Committee. The matter will also be referred to the Chairman of the Audit and Risk Committee if the Unacceptable Conduct is about a Protected Disclosure Officer or a senior executive.

PROTECTION OF WHISTLEBLOWERS

If a Whistleblower makes a report of Unacceptable Conduct under this Policy, the Whistleblower's identity will be limited to the Protected Disclosure Officer, the Investigations Officer and any other persons required for the purpose of conducting the investigation. The Whistleblower's identity will be protected from further disclosure unless the Whistleblower consents to the disclosure or disclosure is required by the law.

All files and records created from an investigation will be retained under strict security. The unauthorised release of the Whistleblower's identity without the Whistleblowers consent, to any person not involved in the investigation is a breach of this Policy. Such unauthorised release of the Whistleblower's identity will be regarded as a serious disciplinary matter and will be dealt with in accordance with S2's disciplinary procedures.

S2 is committed to protecting and ensuring that Whistleblowers who report Unacceptable Conduct in good faith under this Policy do not suffer any detrimental treatment.

Detrimental treatment includes dismissal, disciplinary action, threats or unfavourable treatment connected with making a report. Any such retaliatory action will be treated as serious misconduct and will be dealt with in accordance with S2's disciplinary procedures. If a Whistleblower believes they have been a victim of detrimental treatment by reason of their status as a Whistleblower, they should immediately report the matter to a Protected Disclosure Officer.

If the Whistleblower has been involved in the Unacceptable Conduct, S2 may provide immunity or due consideration from S2's disciplinary procedures, by agreement with S2. S2 however has no power to provide immunity from criminal prosecution.

If the Whistleblower's identity can be inferred from the nature of the Unacceptable Conduct, then the Whistleblower can make a request for special protection measures. Requests will be considered taking into account both the Whistleblower's interest and those of the Company.

If an anonymous report is made, it must be in writing and contain sufficient information to form a reasonable basis for investigation. If a Whistleblower anonymously reports Unacceptable Conduct relating to potential breaches of the Corporations Act, they will not be entitled to the statutory protection contained under the Act (see section Special Protection Under the Corporations Act below for further information).

4.4 DUTIES OF EMPLOYEES IN RELATION TO UNACCEPTABLE CONDUCT

S2 relies on employees to assist S2 in achieving its commitment to foster a culture of corporate compliance, ethical behaviour and good corporate governance.

S2 will not tolerate Unacceptable Conduct and expects employees who become aware of known or suspected Unacceptable Conduct to make a report. Failure by an employee to raise Unacceptable Conduct which they are aware of could result in disciplinary action being taken against the employee.

4.5 FALSE UNACCEPTABLE CONDUCT REPORTS

S2 will not tolerate false reports of Unacceptable Conduct, except where the allegation is made in good faith. Where it is established that an allegation was not made in good faith, or it was a knowingly false Unacceptable Conduct report, this will be regarded as a serious disciplinary matter in its own right and will be dealt with in accordance with S2'S disciplinary procedures.

Whilst not intending to discourage employees from reporting matters of genuine concern, Whistleblowers must ensure that reports are factually correct, complete, from first-hand knowledge and presented in an unbiased fashion. Any possible perception of bias should be disclosed, and without material omission.

4.6 SPECIAL PROTECTION UNDER THE CORPORATIONS ACT

Part 9.4AAA of the Corporations Act gives special protection to disclosures about Corporations Act breaches if:

- the Whistleblower is an officer, employee, a contractor, supplier of goods or services or an employee of a contractor or of a supplier of goods or services.
- the report is made to:
 - a Protected Disclosure Officer;
 - a director, officer or senior manager of S2;
 - S2's auditor or a member of the audit team; or
 - the Australian Securities and Investments Commission (ASIC).
- the disclosure is not made anonymously; and
- the report is made in good faith, and the Whistleblower has reasonable grounds to suspect that there has been a breach of the Corporations Act by S2 or by an officer or employee of S2.

If the above conditions are met, in summary, the protections afforded by the Corporations Act include:

- the Whistleblower cannot be subject to legal liability for making the report;
- anyone who causes detriment or threatens to cause detriment is guilty of an offence and may be liable

for damages;

- any person to whom Unacceptable Conduct has been disclosed commits an offence if they disclose information in the report, the Whistleblower's identity or information that could lead to the identification of the Whistleblower, without the consent of the Whistleblower. Disclosure to ASIC, the Australian Federal Police or the Australian Prudential Regulatory Authority is considered authorised disclosure under the Act and therefore not an offence.

Where a report for Unacceptable Conduct is made relating to potential breaches of the Corporations Act, and where the Whistleblower is afforded protection under the Corporations Act, S2 will require the Whistleblower to consent to the information being released for the purposes of conducting the investigation.

5. DEFINITIONS AND ABBREVIATIONS

Term	Meaning
"Company", "we", "S2"	S2 Resources Ltd, including subsidiary companies.
"Worker"	An individual who performs work in any capacity including as an employee, contractor or subcontractor, an outworker, apprentice, trainee, work experience student or volunteer.
"Supervisor"	Any supervisor, manager, or worker who is either permanently or temporarily in a position of authority over the worker.