



Whistleblower policy

Enforceable as at 1 July 2019.

1. Purpose

Whistleblower reporting is an important element in the MRC group's mechanisms for detecting instances of suspected, potential or actual misconduct, fraud, corruption, other forms of criminal, illegal, dishonest or unethical conduct within an entity and is an important aspect in achieving better corporate governance and a culture of honest and ethical behaviour.

Eligible Whistleblowers will be protected so that they may report Reportable Conduct without fear of identification, intimidation, disadvantage or reprisal.

The objective of the MRC's Whistleblower Policy is to establish a clear framework and process to assist the MRC and Eligible Whistleblowers to report suspected instances of fraud, misconduct and other inappropriate or illegal acts.

This Policy is made available via the MRC group's intranet and via the Whistleblower hotline website (as set out below).

2. Scope:

This policy applies to the Victoria Amateur Turf Club (incorporating the Melbourne Racing Club) and its related corporate entities, including Pegasus Leisure Group and Gontran Cherrier (together referred to as "the MRC Group").

This Policy applies to all employees. Whilst it is acknowledged that contractors, consultants, volunteers, Committee and Board members are not employees for any other purpose, this Policy applies to them and the general term "employee" may be taken as referring to the all of the above.

3. Summary

- Employees and others connected to the MRC Group may report suspected unlawful or unethical conduct internally, including unlawful or improper accounting or tax practices, without fear of identification or reprisal.
- The MRC Group strongly recommends that matters are reported through the MRC Group's Whistleblower hotline, however employees may also report directly to any Committee member or Executive Director.
- The Executive Director – Property & Corporate Affairs is responsible for investigating and setting recommendations in respect of any reported matters.
- The MRC Group prohibits any employee taking any retaliatory action or threats of retaliatory action against an Eligible Whistleblower should their identity be discovered.

4. Eligible Whistleblowers

Those who may be an 'Eligible Whistleblower' include not only employees, but any person associated with or previously associated with the MRC Group, including but not limited to:

- all employees and officers (including temporary, casual, and former employees and officers);
- contractors, suppliers and their employees (including former contractors, suppliers and their employees);
- associates; and
- spouses and relatives of any of the above.

5. What to report

“Reportable Conduct” means the following types of conduct (whether by act or omission) by an employee or persons acting as authorised representatives, agents, vendors or suppliers on behalf of the MRC Group:

- breaches of any law;
- misuse or mismanagement of MRC resources or assets;
- fraud;
- corruption (including conduct in relation to illegal, improper or misleading financial or tax reporting practices);
- money laundering or terrorist financing;
- any criminal act;
- illegal harassment or discrimination;
- any act or omission causing substantial health or safety risk to another person;
- misconduct;
- unethical behaviour, and
- any other conduct which may cause financial or non-financial loss to the MRC or be otherwise detrimental to the MRC Group’s interests or reputation.¹

Where an employee has concerns or receives information about any Reportable Conduct, it is the employee’s responsibility to endeavour to ensure the accuracy of the information and report those concerns and/or that information at the earliest possible stage.

An intentionally false report of Reportable Conduct could have significant effects on the MRC Group’s reputation and the reputations of other employees and could also cause considerable waste of time and effort. Any deliberately false reporting of Reportable Conduct, whether under this Policy or otherwise, will be treated as a serious disciplinary matter. However, if an Eligible Whistleblower makes an allegation and has reasonable grounds to suspect that the information concerns misconduct, or an improper state of affairs or circumstances in relation to the MRC, pursuant to this Policy and any facts alleged are not confirmed or not founded by subsequent investigation, no action will be taken against them.

6. Who to report to

To be protected by whistleblower protections, the Eligible Whistleblower may report the Reportable Conduct:

1. through the MRC Group’s Whistleblower Hotline (as outlined in section 7), which is the MRC Group’s recommended method;
2. to the MRC’s nominated Whistleblower Protection Officer, being the Executive Director – Property & Corporate Affairs (**WPO**); or²
3. to any Committee member or Executive Director.

¹ Reportable Conduct does not include lawful conduct in respect of personal, employment or workplace grievances such as interpersonal conflicts, performance issues, transfer, promotion, or disciplinary decisions. The MRC still encourages employees to report such issues to management, however such disclosures will not necessarily fit within the scope of whistleblowing protections.

² Should the Reportable Conduct involve the Executive Director – Property & Corporate Affairs, then the WPO for the purposes of this Policy in such instances shall refer to the Chief Executive Officer.

Eligible Whistleblowers should be aware that they may not necessarily be protected under this Policy should they report any Reportable Conduct to any person not listed above.

To ensure Eligible Whistleblowers are provided with whistleblowing protections, Eligible Whistleblowers making a report are encouraged to specify that they are relying on the whistleblower protections under this Policy.

A disclosure can be made in person, in writing or by any other means and may be made anonymously.

Executive Directors who receive claims of Reportable Conduct from any Eligible Whistleblower must process that claim through the Hotline³. Committee members must report the matter directly to the WPO or CEO.

The Eligible Whistleblower's consent must be obtained (in writing where possible) prior to the person disclosing the Eligible Whistleblower's identity to the Hotline and/or WPO.

An Eligible Whistleblower may also choose to disclose Reportable Conduct to the following external bodies:

- the Australian Securities and Investments Commission (**ASIC**) or the Australian Prudential Regulation Authority (**APRA**) (if the matter relates to a breach of relevant financial laws);
- the Australian Federal Police (**AFP**);
- the Australian Taxation Office (**ATO**) (if the matter relates to a breach of relevant taxation laws);
- an auditor, or member of an audit team conducting an audit into the MRC;
- an actuary of the MRC;
- a lawyer, for the purpose of legal advice or legal representation regarding the Eligible Whistleblower's legal protections; and
- to a parliamentarian or a journalist.⁴

7. Whistleblower Hotline

The MRC Group has engaged the services of Stopline, an independent hotline service which gives Eligible Whistleblowers the opportunity to report Reportable Conduct through secure methods, including:

- online at mrc.stoplinereport.com
- by phone on 1300 30 45 50
- by email at mrc@stopline.com.au
- by post at Melbourne Racing Club, c/O Stopline Locked Bag 8 Hawthorn VIC Australia 3122

amongst other methods (the 'Hotline').

The Hotline allows Eligible Whistleblowers the ability to remain anonymous throughout the process.

The MRC Group strongly recommends any Eligible Whistleblower reports Reportable Conduct through the Hotline.

Reports will be filtered by Hotline as described in section 8.1 below.

8. Investigation process

8.1 Reports made through Hotline

Reports made through Hotline will be assessed by professional Hotline staff.

³ Except where the claim involves or relates to conduct of the WPO themselves, in which case they must report the matter to the CEO and the CEO shall be deemed the "Whistleblower Protection Officer" for the purposes of that matter only.

⁴ Reportable Conduct may only ever be disclosed to a parliamentarian or journalist after the passage of time if such disclosure is in the public interest or in the context of an emergency. The MRC strongly encourages Eligible Whistleblowers to discuss the matter with the WPO and to obtain independent legal advice before disclosing Reportable Conduct to a parliamentarian or journalist.

Reports which are deemed to not fit within the definition of Reportable Conduct (for example, workplace grievances not involving illegal conduct) will be referred back to the Eligible Whistleblower directly from the Hotline. Even if a disclosure does not fall under this Policy, there may be other MRC Group policies and protocols that apply and the Hotline will endeavour to advise the Eligible Whistleblower who made the disclosure of the correct reporting avenue, for example the People & Culture Team.

All reports made to the Hotline shall be recorded by Hotline staff into a database which will be accessible by the WPO for further investigation.

8.2 Reports made directly to WPO

In respect of reports made directly to the WPO, the WPO must satisfy themselves that the disclosure indeed comprises of Reportable Conduct. The WPO may obtain internal or external financial, legal and operational advice to make such determination.

Where the subject matter of a disclosure is assessed not to be Reportable Conduct, the WPO will decide how the matter should be responded to in consultation with the Executive Director – People & Culture. Even if a disclosure does not fall under this Policy, there may be other MRC Group policies and protocols that apply and the Eligible Whistleblower who made the disclosure will be advised of the correct reporting avenue.

8.3 Role of the WPO

The WPO will have access to reports made to the Hotline under section 8.1 and reports made directly to them under section 8.2.

The role of the WPO is to safeguard the interests of the Eligible Whistleblower and to ensure that an appropriate investigation is undertaken in respect of the Reportable Conduct. The WPO shall have direct, unfettered access to financial, legal and operational advisers as required to discharge this responsibility.

8.4 Selecting an investigator

Any Reportable Conduct reported to the WPO will, at the direction of the WPO, be investigated as soon as possible after the matter is received by the WPO and the WPO has satisfied themselves that the disclosure falls under this Policy.

The WPO may appoint an internal person to assist in the investigation of a matter raised in a report. If the Eligible Whistleblower's can be identified, the WPO must gain the Eligible Whistleblower's consent (in writing wherever possible) prior to disclosing their identity to any internal person assisting.

The WPO or their nominee may also approach the key partner of the company's external auditor (or other chosen external service provider) to arrange an external individual to act as investigator for certain matters, particularly where allegations are of a serious nature or require specialised expertise.

8.5 Confidentiality and protection of Eligible Whistleblower

An Eligible Whistleblower who reports or seeks to report Reportable Conduct under this Policy is given the assurance of anonymity (if desired), bearing in mind that in certain circumstances, legislation may require disclosure of their identity in legal proceedings.

Others who know of or suspect that another person has made a disclosure under this Policy should protect and maintain the confidentiality of that person. Employees who breach confidentiality in relation to a known or suspected disclosure will be subjected to disciplinary proceedings, which may include summary dismissal.

However, if the identity of an Eligible Whistleblower is known or becomes known, the MRC Group will continue take whatever action is possible consistently with this Policy to make sure that the

Eligible Whistleblower is not personally disadvantaged for making the disclosure, whether by dismissal, demotion, any form of detriment, harassment, injury, discrimination, psychological harm, damage to their business (in the case of an external party) or any form of current or future bias.

The MRC Group will not tolerate any retaliatory action or threats of retaliatory action against any person who has made or who is believed to have disclosed Reportable Conduct on reasonable grounds. Any such retaliatory action or victimisation of any Eligible Whistleblower in reprisal for a report being made under this Policy will be treated as serious misconduct and will result in disciplinary action, which may include dismissal.

If an Eligible Whistleblower genuinely believes they have been the subject of any such action as a consequence of making their report, they may report the matter to in accordance with section 6.

8.6 Anonymous Allegations

An Eligible Whistleblower may elect to make a disclosure anonymously. The MRC Group will respect the Eligible Whistleblower's request to not identify themselves and shall not make unwanted and repeated attempts to identify the Eligible Whistleblower. However, Eligible Whistleblowers should recognise that the MRC Group may not be able to investigate certain disclosures without the identity of the Eligible Whistleblower becoming known, whether directly or by inference, to the MRC Group or to the person about whom the allegations are made.

Eligible Whistleblowers reporting anonymously should note that their identity may be subsequently revealed during any investigation undertaken. In such circumstances, section 8.5 shall still apply.

8.7 Communication with Eligible Whistleblower

Where possible and assuming the identity of the Eligible Whistleblower is known, the WPO is responsible for keeping the WPO informed of the progress and, as far as practicable, the outcome of the investigation of their disclosure, subject to privacy and confidentiality considerations. Where appropriate, the WPO may elect to keep the Eligible Whistleblower informed indirectly, through the services of the Hotline. All Eligible Whistleblowers must maintain strict confidentiality of any information provided to them by MRC in relation to, or as a consequence or outcome of their disclosure.

8.8 Conduct of investigation

The investigation will be conducted in a thorough, objective and fair manner, and otherwise as is reasonable and appropriate having regard to the nature of the Reportable Conduct and the circumstances, with the objective of locating evidence that either substantiates or refutes the claims made by the Eligible Whistleblower.

Matters involving potential criminal offending may be referred immediately to the police and the WPO may elect to advise the MRC Committee of any such referral.

The WPO, or their appointed investigator or assistant, (**Investigator**) will conduct an investigation which must include:

- a review all claims made, in conjunction with any evidence provided by the Eligible Whistleblower;
- the investigation and location of any evidence that may substantiate or refute the claims of the Eligible Whistleblower (this may include interviewing other parties); and
- giving the person/s against which the allegation has been made an opportunity to respond and explain their behaviour and to provide any material in support of their response and explanation.

MRC recognises that persons against whom disclosures are made and investigated under this Policy must also be supported during the handling and investigation of disclosures. MRC will afford procedural fairness to the person against whom a disclosure has been made.

An Eligible Whistleblower is not automatically protected from the consequences of being a party to any Reportable Conduct they report under this Policy.

The investigation shall not reach any conclusion or recommendation until reasonable and appropriate enquires have been made and submitted material considered.

At the conclusion of an investigation a report will be prepared by the Investigator. The report will broadly outline the following:

- the details of the Reportable Conduct;
- the information and evidence collected during the investigation that either supports or refutes the allegation of Reportable Conduct;
- the conclusions reached by the investigation and the reasoning behind each conclusion, and
- the recommendation of the Investigator as to any action to be taken and as to who should be the appropriate decision maker in respect of any such action.

The WPO shall present the report to the CEO. Together the CEO and WPO shall determine the course of action, and such decision will be final.⁵

The level of reporting to the MRC Committee or the Audit and Risk Committee as to any disclosed Reportable Conduct will be determined by the WPO in consultation with the CEO, taking into account the seriousness of any allegations made in relation to Reportable Conduct. At a minimum, disclosures made under this Policy should be included as an agenda item for each Audit and Risk Committee meeting upon which the WPO and CEO should consider whether any particular Reportable Conduct reported should be raised to Committee level.

The WPO will maintain a register of disclosures made under this Policy, a copy of the report of the Investigator and actions taken in response to the report.

⁵ The WPO shall not report to the CEO in respect of any Reportable Conduct involving the CEO. Instead, the WPO shall report such matters to the Risk and Audit Committee.