



# **L1 CAPITAL**

**L1 Long Short Fund Limited  
(ACN 623 418 539)**

**Whistleblower Policy**

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## **1. Purpose of the Policy**

The L1 Long Short Fund Limited (the 'Company') is committed to observing high standards of business conduct and ethics. An environment where disclosures are encouraged fosters good corporate governance and manages risk. This Policy aims to provide transparency around the Company's framework for receiving, handling and investigating disclosures from whistleblowers.

The purpose of this Policy is to ensure individuals who disclose wrongdoing can do so safely, securely and with confidence that they will be protected and supported. It ensures disclosures are dealt with appropriately and on a timely basis.

In order for the Company to effectively address any potential improper conduct, it is critical that all Company directors and officers cooperate in identifying and appropriately dealing with unlawful or unethical conduct.

## **2. Who the Policy applies to**

The Company does not have employees and most activities are outsourced, including investment management. This Policy and the associated whistleblower protections apply to current and former directors and officers of the Company, associates of the Company (within the meaning of section 318 of the *Income Tax Assessment Act 1936*) current and former directors and employees of outsourced providers as well as relatives or dependents of these persons (**Disclosers**).

Every Company director and officer has a duty to report any potential misconduct. Taking action to prevent unethical and improper behaviour is a critical part of our compliance policies.

## **3. Roles and Responsibilities**

The Board of Directors is ultimately responsible for deterring wrongdoing and encouraging disclosures and oversees and monitors the operation of this Policy. This Policy forms part of the Company's risk management framework.

The Board has delegated responsibility for the day to day operation of this Policy to the Whistleblower Protection Officer.

### *Whistleblower Protection Officer*

The Head of Legal and Compliance at L1 Capital Pty Ltd is appointed as the Whistleblower Protection Officer and reports directly to the Company's Audit & Risk Committee. The Whistleblower Protection

Officer provides accurate and confidential advice and information about the Whistleblower Policy to relevant stakeholders.

The Whistleblower Protection Officer protects and safeguards all whistleblowers and ensures the integrity of the reporting mechanism. This includes periodically reviewing and updating this Policy and for implementing and overseeing any changes.

The Whistleblower Protection Officer oversees the investigation of a report. If a report relates to the Whistleblower Protection Officer, the matter will be referred to the Chair of the Audit and Risk Committee.

#### **4. Matters the Policy applies to**

##### *Disclosable Matters*

A Disclosable Matter arises where the whistleblower has reasonable grounds to suspect the following conduct, or concealment of such conduct, has occurred, including:

- (a) fraud, negligence, default, breach of trust or breach of duty (even if it does not involve a breach of a particular law);
- (b) criminal conduct;
- (c) corrupt conduct;
- (d) failure to comply with the ASX Listing Rules;
- (e) failure to comply with the Company's Code of Conduct;
- (f) failure to comply with a legal or regulatory obligation;
- (g) an offence against any other law of the Commonwealth that is punishable by imprisonment for a period of 12 months or more;
- (h) a danger to the public or the financial system (even if it does not involve a breach of a particular law); or
- (i) is prescribed by regulation (together **Eligible Disclosures**).

Only disclosures about Disclosable Matters qualify for protection under the Corporations Act.

The following types of wrongdoing are examples of disclosable matters that relate specifically to the Company:

- (a) offering or accepting a bribe;
- (b) financial irregularities;
- (c) failure to comply with, or breach of, legal or regulatory requirements; and
- (d) engaging in or threatening to engage in detrimental conduct against a person who has made a disclosure or is believed or suspected to have made, or be planning to make, a disclosure.

A Discloser can still qualify for protection even if their disclosure turns out to be incorrect if the Discloser had reasonable grounds to believe their suspicion was correct at the time of making the disclosure.

## **5. Who can receive a disclosure**

A person making a disclosure under this Policy will be referred to as a 'Discloser' and all information provided by them will be treated as confidential.

Under the Whistleblower Protection Scheme, Disclosers may make Eligible Disclosures to the following eligible recipients:

- (a) the Whistleblower Protection Officer;
- (b) an officer of the Company, ie a Director or the Company Secretary;
- (c) an auditor, or member of an audit team, auditing the Company;
- (d) (if relevant) an actuary of the Company;
- (e) ASIC or APRA, a prescribed Commonwealth authority and
- (f) a legal practitioner.

A disclosure must be made to an eligible recipient in order to qualify for protection as a whistleblower under the Corporations Act.

Some Disclosers may wish to seek additional information before formally making their disclosure and are advised to contact the Whistleblower Protection Officer or an independent legal adviser. Disclosures to a legal practitioner for the purposes of obtaining legal advice or legal representation in relation to the operation of the whistleblower provisions in the Corporations Act are protected (even in the event that the legal practitioner concludes that a disclosure does not relate to a 'disclosable matter').

### *Public interest disclosures and emergency disclosures*

Under the Whistleblower Protection Scheme, there is an additional category of disclosures: public interest disclosures and emergency disclosures. Disclosures may be made to a journalist or parliamentarian under certain circumstances and qualify for protection.

A Discloser may make a 'public interest disclosure' if the disclosure complies with the following strict requirements:

- (a) the Discloser must have first made an Eligible Disclosure to ASIC, APRA, or a prescribed Commonwealth authority under the Corporations Act 2001;
- (b) 90 days have passed since that disclosure was made;

- (c) the Discloser does not have reasonable grounds to believe that action is being taken to address the matters to which that disclosure related;
- (d) the Discloser has reasonable grounds to believe that making a further disclosure of the information in accordance with this subsection would be in the public interest; and
- (e) after the end of the 90 day period, the Discloser gave notice to the body to which the original disclosure was made that states that they intend to make an public interest disclosure and the notice includes sufficient information to identify the original disclosure.

A Discloser may make an 'emergency disclosure' if the Discloser complies with the following strict requirements:

- (a) the Discloser must have first made an Eligible Disclosure to ASIC, APRA, or a prescribed Commonwealth authority under the *Corporations Act 2001*;
- (b) the Discloser has reasonable grounds to believe the information concerns a substantial and imminent danger to the health or safety of any person or to the natural environment;
- (c) the Discloser gave notice to the body to which the original disclosure was made that states that they intend to make an emergency disclosure and the notice includes sufficient information to identify the original 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.

It is important for the Discloser to understand the criteria for making a public interest or emergency disclosure. In order to ensure a disclosure meets the criteria for a public interest or emergency disclosure, the Discloser is advised to obtain independent legal advice before making the disclosure.

## **6. How to make a disclosure**

The Company would like to identify and address wrongdoing as early as possible and as such encourages reporting internally at first instance. However, disclosures made directly to regulatory bodies, external auditors or any other person in accordance with relevant law or regulation are protected.

Disclosures may be made directly to any of the eligible recipients listed in section 5. Disclosures may be made outside of business hours.

Reports may also be made via email to email:whistleblower@l1.com.au which is monitored by the Whistleblower Protection Officer.

There are three options to report Eligible Disclosures to the Company:

- (a) Identity revealed - To be better able to respond efficiently to any whistleblower reporting, it is preferred that Disclosers disclose their identity and provide their telephone number or other contact information when making their report.
- (b) Partially anonymous – Disclosers can choose to reveal their identity only to certain persons who may be involved in investigating the matter being reported and choose that their identity not be divulged to others. This option protects Disclosers' anonymity while giving the Company an opportunity to contact them in the event where clarity, an interview or further information is helpful to investigating or confirming the report.
- (c) Anonymous - If a Discloser feels more comfortable remaining anonymous, the Company will accept anonymous reports, although it is advised that a facility for ongoing two-way communication is maintained to assist with any investigation.

The Company has the following mechanisms in place for protecting anonymity (where applicable):

- (a) Communication with Disclosers will be through anonymised email addresses; and
- (b) A Discloser may adopt a pseudonym for the purpose of their disclosure.

## **7. Legal protections for Disclosers**

### *Identity protection (Confidentiality)*

The Whistleblower Protection Scheme makes it unlawful for a person to reveal the identity of a Discloser who has made an Eligible Disclosure, public interest disclosure or emergency disclosure (**Qualifying Disclosures**), or information likely to lead to their identification, where that information was obtained due to the Qualifying Disclosure.

Exceptions arise if a person discloses the identity of the Discloser:

- (a) to ASIC, APRA, the Australian Federal Police or the Taxation Commissioner;
- (b) a legal practitioner (for the purpose of legal advice or representation regarding the Whistleblower Protection Scheme);
- (c) any person or body prescribed by the regulations; or
- (d) with the consent of the Discloser.

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

- (a) the information does not include the Discloser's identity;
- (b) the Company 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.

A Discloser may lodge a complaint with the Company about a breach of confidentiality. A Discloser may also lodge a complaint with a regulator, such as ASIC, APRA or the ATO, for investigation.

#### *Protection from detrimental acts or omissions*

The Whistleblower Protection Scheme makes it unlawful for a person to engage in conduct against another person that causes or will cause a detriment, or threatens a detriment (**Detrimental Conduct**):

- (a) in circumstances where that person believes or suspects that the other person or a third person made, may have made, proposes to make or could make a Qualifying Disclosure; and
- (b) that belief or suspicion is the reason or part of the reason for the Detrimental Conduct.

In addition, a person cannot make a threat to cause detriment to a discloser (or another person) in relation to a disclosure. A threat may be express or implied, or conditional or unconditional. 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.

The meaning of 'detrimental conduct' is very broad and includes:

- (a) harassing or intimidating a person;
- (b) harming or injuring a person, including psychological harm;
- (c) damaging a person's property, reputation, business, financial position; and
- (d) any other damage to a person.

Actions that are not detrimental conduct include:

- (a) administrative action that is reasonable for the purpose of protecting a Discloser from detriment; and
- (b) Managing a Discloser's unsatisfactory performance.

#### *Compensation and other remedies*

The Company will protect anyone who makes a Qualifying Disclosure. This is the case whether or not it turns out that the report was made under a genuine mistaken belief. Retaliation in any form against someone who takes such actions will not be tolerated. Any act of retaliation should be reported immediately and will be investigated.

The Discloser will be protected from any civil, criminal, administrative or contractual action in relation to any Qualifying Disclosure that they make. Subject to the Whistleblower Protection Scheme, where

an individual vexatiously institutes proceedings, the Company may seek an order of costs for such proceedings. The Whistleblower Protection Scheme does not grant immunity for any misconduct a Discloser has engaged in that is revealed in their disclosure.

## **8. Support and practical protection for Disclosers**

The Company is committed to supporting and protecting all whistleblowers who act in good faith and have not themselves engaged in serious or illegal misconduct.

It is committed to protecting the confidentiality of a whistleblower's identity and protecting them from detriment. Measures for protecting the confidentiality of a Discloser's identity include (where applicable):

- (a) All personal information will be redacted;
- (b) Disclosures will be handled and investigated by qualified staff;
- (c) All paper and electronic documents and other materials relating to disclosures will be stored securely;
- (d) Access to all information relating to a disclosure will be limited; and
- (e) A restricted number of people will be directly involved in handling and investigating a disclosure.

Measures for protecting Disclosers from detriment include:

- (a) Processes for assessing and managing the risk of detriment against a Discloser;
- (b) Access to support services (such as external counselling services); and
- (c) Procedures on how a Discloser can lodge a complaint if they have suffered detriment.

If a whistleblower believes they have suffered detriment as a result of making their disclosure, they are encouraged to make a complaint to the Whistleblower Protection Officer. If unresolved, the matter will be referred to the Chair of the Audit and Risk Committee.

## **9. Handling and investigating a disclosure**

### **Handling a Disclosure**

#### *Allegation Reported*

When the Company receives an Eligible Disclosure, the matter will be referenced by a unique number or name. This will enable the Company to track the progress and resolution of the review, investigation and resolution of the allegation.

#### *Preliminary Evaluation*

Regardless of the person or department to which the report was made, all disclosures will be forwarded to the Whistleblower Protection Officer, making sure to safeguard the confidentiality of the



Discloser. Upon receipt of a disclosure, the Whistleblower Protection Officer will conduct, or cause to be conducted, a preliminary evaluation of its credibility and significance.

The Board will be informed of material disclosures reported under this Policy.

### **Investigating a disclosure**

#### *Review of the disclosure*

The Whistleblower Protection Officer will consider each allegation and make the following recommendations to the Audit and Risk Committee:

- (a) Whether the allegation touches on the responsibility and conduct of senior officers or directors, such that oversight of the investigation should be referred to the Board or applicable external reviewer.
- (b) Whether the matter should be investigated using internal resources or whether external counsel should be engaged. This determination will be made by the Whistleblower Protection Officer in consultation with the Company's legal advisor and will be based on the evaluation of factors that will include (i) the nature and scope of the alleged misconduct and (ii) whether the allegation may result in the involvement of public enforcement authorities.

The Company will provide access to applicable data to the Whistleblower Protection Officer. In addition, subject to applicable privacy laws and other regulations, the Whistleblower Protection Officer will have and be provided with access to any IT resources and internal data, including email servers, laptops, company-issued smartphones (or any personal phones on which the Company has permitted Company communications to be sent and received) and other electronic data storage media that might assist in the investigation.

Every Company supplier, officer and director has an obligation to cooperate in the investigation, including agreeing to be interviewed by the Whistleblower Protection Officer. In some investigations, it may be necessary to interview third parties. In such cases, the Whistleblower Protection Officer may request the cooperation of third parties engaged to provide services to the Company or, where applicable, invoke the Company's audit rights

#### *Oversight*

Except in those cases in which the oversight of the investigation was referred to the Board or other external reviewer, the Whistleblower Protection Officer will exercise oversight over the investigation. Such oversight will include receiving periodic reports on the progress of the investigation, including any recommendations from the investigators to expand the investigation or to make voluntary disclosures to the authorities.

In those cases in which the Board has assumed oversight responsibility, it will receive these reports.

### *Recusal*

Should any of the functions or officers named in this Policy encounter a conflict of interest situation relating to the alleged misconduct, he or she will so notify the Whistleblower Protection Officer (or the Chairman of the Board if applicable) and recuse his or herself from taking further action relating to the investigation.

### *Government Investigations*

In cases where government authorities have already commenced an investigation, then subject to the approval of the Whistleblower Protection Officer, the Company's legal advisor may engage external counsel to assist in responding to the government investigation, including, where permitted, conducting an internal investigation. External counsel should, in turn, engage any other needed external resources to ensure the protection of legal privilege and other applicable protections.

### *Keeping the Discloser informed*

For investigations initiated due to a report by a Discloser, the Whistleblower Protection Officer will determine to what extent the Discloser is updated regarding the investigation and/or its results.

### **How the investigation findings will be documented, reported internally and communicated to the Discloser**

When the investigation has been completed, the Whistleblower Protection Officer will produce a final investigation report addressed to the Board, where the Board has oversight of the investigation, as the case may be. The final report will cover the following issues related to the investigation:

- (a) scope;
- (b) factual findings;
- (c) conclusions;
- (d) root cause analysis; and
- (e) remedial or mitigation recommendations.

The Whistleblower Protection Officer or, as the case may be the Board, will consider the report and reach a conclusion and make findings while taking care to preserve confidentiality and any applicable privileges.

The Discloser will receive a final report on the outcome of the investigation. In some circumstances, it may not be appropriate to provide details of the outcome to the Discloser, and the Discloser will be informed as to why.

### *Remediation*

The Whistleblower Protection Officer, subject to the concurrence of the Board, will undertake any remediation actions that should be taken to address any corrupt, unethical or illegal conduct or

controls failures identified by the investigation. These may include substantive changes to the Company's compliance program and internal controls, as well as any disciplinary actions taken towards the offenders. In appropriate cases, and as coordinated with the Board, the Company may report the incident(s) to the appropriate law enforcement authorities. The investigation may be closed once the final report has been issued.

## **10. Ensuring fair treatment of individuals mentioned in a disclosure**

The Company is committed to ensuring confidentiality in respect of all matters raised under this Policy, and that those who make a report are treated fairly and do not suffer detriment. All disclosures will be handled confidentially, where it is practical and appropriate in the circumstances.

Each disclosure will be assessed and may be the subject of an investigation.

The objective of an investigation is to determine whether there is enough evidence to substantiate or refute the matters reported.

An individual who is the subject of a disclosure will be advised about:

- (a) the subject matter of the disclosure as and when required by principles of natural justice and procedural fairness, and given notice of any actions being taken – for example, if the disclosure is to be the subject of an investigation or if the disclosure is serious and needs to be referred to ASIC, APRA or the Federal Police; and
- (b) the outcome of the investigation (where appropriate).

## **11. Ensuring the Policy is easily accessible**

The Company is committed to the protection of whistleblowers and will ensure that this Policy is disseminated to all individuals covered by it, including any subsequent updates.

This Policy is publicly available via the 'Corporate Governance' section of the Company's website, [www.l1longshort.com](http://www.l1longshort.com) to ensure Disclosers from outside the Company are able to access it.

## **12. Reviewing and updating the Policy**

This Policy may be periodically reviewed and varied by the Company from time to time.

## Appendix A – Protections under the Corporations Act 2001

Part 9.4AAA offers special protection for whistleblowers making disclosures about any misconduct or improper state of affairs relating to the Company if the following conditions are satisfied:

- (a) the whistleblower has reasonable grounds to suspect that the information being disclosed concerns misconduct, or an improper state of affairs or circumstances in relation to the Company.

This may include:

- (i) a breach of legislation including the *Corporations Act*;
- (ii) an offence against the Commonwealth punishable by imprisonment for 12 months or more;
- (iii) conduct that represents a danger to the public or financial system; or
- (iv) the disclosure satisfies the conditions of an emergency disclosure or public interest disclosure.

Personal work grievances are not covered by these protections.

- (b) the whistleblower is or has been:

- (i) an officer of the Company;
- (ii) an individual who supplies goods or services to the Company or an employee of a person who supplies goods or services to the Company;
- (iii) an individual who is an associate of the Company; or
- (iv) a relative, dependent or dependent of the spouse of any individual referred to at (i) to (iii) above;

- (c) the report is made to:

- (i) an officer of the Company, ie a director or the Company Secretary;
- (ii) the Company's External Auditor, or a member of the audit team;
- (iii) the actuary of the Company
- (iv) the Whistleblower Protection Officer;
- (vi) ASIC, APRA or a Commonwealth authority; or
- (vii) a legal practitioner for the purpose of obtaining legal advice or legal representation in relation to the operation of the whistleblower provisions in the Corporations Act.

There is no requirement for a whistleblower to identify himself or herself in order for a disclosure to qualify for protection.

The *Corporations Act* gives the following protections to whistleblowers when the above conditions are met:

- (i) the whistleblower is immune from any civil, criminal or administrative liability (including disciplinary action) for making the disclosure;

(ii) no contractual or other remedy may be enforced, and no contractual or other right may be exercised, against the whistleblower for making the disclosure;

(iii) in certain circumstances, the reported information is not admissible against the whistleblower in criminal proceedings or in proceedings for the imposition of a penalty;

(iv) a person who causes detriment or threatens to cause detriment to a whistleblower or another person in the belief or suspicion that the person made, may have made, proposes to make or could make a disclosure, may be guilty of an offence and may be liable for a civil penalty;

(v) it is an offence to disclose the substance of a disclosure or a whistleblower's identity unless one of the exceptions applies:

(a) the whistleblower consents to the disclosure of their identity;

(b) disclosure of details that might reveal the whistleblower's identity is reasonably necessary for the effective investigation of the matter; or

(c) the concern is reported to ASIC, APRA, or the AFP or a legal practitioner for the purpose of obtaining legal advice or representation.