



# **Whistle Blower Policy**

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## Prana Biotechnology Ltd

### **1.1 Objective**

Prana Biotechnology Limited is committed to achieving compliance with all applicable laws and regulations regarding accounting standards, internal accounting controls and audit practices. This Policy & Procedure is an integral part of Prana's compliance program and in particular supports the operation and enforcement of its Code of Conduct. Its aim is to encourage the reporting of matters that may cause financial or non-financial loss to Prana or damage its reputation. This Policy & Procedure is intended to satisfy whistle-blower needs and is based on AS 8004:2003: Whistle-blower Protection Programs for Entities, issued by Standards Australia.

### **1.2 Whistleblowing**

For the purpose of this Policy & Procedure,

Whistleblowing is defined as:

*"...the deliberate, voluntary disclosure of individual or organisational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by an organisation that is within its ability to control."*

Whistle-blower or Discloser is defined as:

*"...any person whether an employee, director, related officer or contractor or any member of the Prana, who whether anonymously or not makes or attempts to make a disclosure of Improper Conduct..."*

### **1.3 Improper Conduct**

For the purpose of this Policy & Procedure, Improper Conduct is defined as:

- corrupt, fraudulent or other illegal conduct or activity;
- conduct that is contrary to, or a breach of, Prana's Codes and Policies;
- a substantial mismanagement of Prana resources;
- conduct involving substantial risk to public health or safety; or
- conduct involving substantial risk to the environment.

That would, if proved, constitute a

- a criminal offence; or
- reasonable grounds for dismissing or dispensing with, or otherwise terminating, the services of an employee of the Institute, who is, or was, engaged in that conduct.

## **1.4 Receipt of disclosures**

Our Audit Committee Chairman will supervise the handling of complaints concerning accounting, internal accounting controls or auditing matters. Any person who has a good faith concern regarding our Company's accounting, internal accounting controls or auditing matters should immediately report such concerns to the Audit Committee Chairman.

**Such communications may be on a confidential or on an anonymous basis, and may be reported to the Audit Committee Chairman by phone at 03 -9824 5254, or submitted in writing to:**

**Suite 1**

**1233 High Street**

**Armadale Victoria 3143**

**Or**

**Via Email**

**[pranabio@thecfo.com.au](mailto:pranabio@thecfo.com.au)**

The Audit Committee Chairman has a central clearinghouse role in the internal reporting system. He or she will:

- receive all phone calls, emails and letters from members of the public or employees seeking to make a disclosure;
- impartially assess each disclosure to determine whether it is a public interest disclosure;
- refer all public interest disclosures to the Ombudsman;
- be responsible for carrying out, or appointing an investigator to carry out, an investigation;
- be responsible for overseeing and coordinating an investigation where an investigator has been appointed;
- where necessary, appoint a welfare manager to support the whistle-blower and to protect him or her from any reprisals;
- advise the whistle-blower of the progress of an investigation into the disclosed matter;
- establish and manage a confidential filing system;
- collate and publish statistics on disclosures made;
- take all necessary steps to ensure the identity of the whistle-blower and the identity of the person who is the subject of the disclosure are kept confidential; and
- liaise with the chief executive officer of the public body

Where a disclosure is received by the Audit Committee Chair, that person shall record the details of the disclosure in writing. The written detail shall include:

- the date and time of the disclosure
- the name of the person making the disclosure (unless the disclosure is an anonymous disclosure)
- the name(s) of the subject of the disclosure
- full details of the disclosure

The Audit Committee Chairman shall explain to the person making the disclosure:

- the stages laid out in this procedure
- alternative procedures for dealing with the accusations
- confidentiality requirements and protections
- the record keeping processes associated with whistle-blowers protection
- the commitment of Prana to protect whistle-blowers from reprisals.

The disciplinary measures, which may be invoked at the discretion of the Audit Committee, include, but are not limited to, counselling, oral or written reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, termination of employment and restitution.

Persons subject to disciplinary measures will include, in addition to the violator, others involved in the wrongdoing such as

- persons who fail to use reasonable care to detect a violation,
- persons who if requested to divulge information withhold material information regarding a violation, and
- supervisors who approve or condone the violations or attempt to retaliate against directors, officers, employees or agents for reporting violations or violators.

In order to facilitate reporting of complaints regarding accounting, internal accounting controls, or auditing matters, the Audit Committee has established the Complaint Procedures for Accounting and Auditing Matters, which are referred to as the "Procedures," for:

- the receipt, retention and handling of complaints regarding accounting, internal accounting controls or auditing matters; and
- the confidential, anonymous reporting by employees of their concerns regarding any questionable accounting or auditing matters.

### **1.5 Types of Complaints Covered by these Procedures**

Complaints regarding accounting, internal controls or auditing matters covered by these Procedures, include, without limitation, complaints regarding:

- deviation from full and fair reporting of our financial condition;
- fraud or deliberate error in the recording and maintaining of financial records of our Company;
- fraud or deliberate error in the preparation, evaluation, review or audit of any of our financial statements;
- misrepresentation or false statement to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of our Company; and
- deficiencies or non-compliance with our internal accounting records.

## **1.6 Receipt, Retention and Handling of Complaints**

Upon receipt of such a complaint, the Audit Committee Chairman

- will decide whether the complaint is indeed regarding an accounting, internal controls or auditing matter and
- when possible, acknowledge receipt of the complaint to the reporting person.

Complaints regarding accounting, internal controls and auditing matters will be reviewed by the Audit Committee and transferred for professional evaluation to the Securities and Exchange Commission counsel, or such other persons as the Audit Committee determine to be appropriate, and will be subject to the direction and oversight of Prana independent directors.

Confidentiality will be observed as fully as possible consistent with the need to conduct an adequate review.

The Audit Committee will take prompt and appropriate corrective action when and as warranted in its judgment.

Prana will not discharge, demote, suspend, threaten, harass, or in any way discriminate against, any employee in the terms and conditions of employment because he or she provided information, caused information to be provided, or otherwise assisted in an investigation regarding any conduct by Prana Biotechnology Limited that he or she reasonably believes to constitute a violation of laws and regulations regarding accounting, internal accounting controls or auditing matters or otherwise.

## **1.7 Reporting and Retention of Complaints and Investigations**

Our Audit Committee Chairman will (i) maintain a record of all complaints received, the monitoring of their receipt, their investigation and resolution and (ii) shall prepare a summary report of the same for our Audit Committee on a quarterly basis.

Our Audit Committee Chairman will ensure that such complaint reporting shall be included as an item on the agenda for our Audit Committee's quarterly meetings.

Copies of any such complaints, records and reports will be filed and maintained with the Audit Committee files.

The Committee will establish a reporting system that will allow violations of this Code to be reported and acted upon by officers or other employees of the Company with sufficient authority to deal objectively with the reported matters. The existence and nature of the reporting system will be communicated to all directors, officers, employees and, to the extent appropriate, to agents of the Company.

It will be a violation of this Code to intimidate or impose any form of retribution on any director, officer, employee or agent who utilizes such reporting system in good faith to report suspected violations of applicable laws, rules or regulations, of this Code or other Company policies (except that appropriate action may be taken against such director, officer, employee or agent if such individual is one of the wrongdoers). Every reported allegation of illegal or unethical behaviour will be thoroughly and promptly investigated.

## **1.8 Investigation of Violations**

If, through operation of the Company's compliance monitoring and auditing systems or its violation reporting systems or otherwise, the Company receives information regarding an alleged violation of this Code or applicable laws, the person or persons authorized by the Committee to investigate alleged violations of this Code will, as appropriate, in accordance with procedures established by the Committee:

- evaluate such information as to gravity and credibility;
- initiate an informal inquiry or a formal investigation with respect thereto;
- prepare a report of the results of such inquiry or investigation, including recommendations as to the disposition of such matter;
- make the results of such inquiry or investigation available to our Board of Directors and/or the Committee for action (including disciplinary action by the Committee); and
- recommend changes in this Code to the extent necessary or desirable to prevent further similar violations.

The results of investigation may be disclosed to law enforcement agencies.