

# PROTECTED DISCLOSURES POLICY PUNAKAIKI FUND LIMITED

**1 September 2020**

**Version 1.0**

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## **1. INTRODUCTION**

- 1.1. Punakaiki Fund Limited (“PFL”) is an investor in high-growth New Zealand-based companies (“Portfolio Companies”). Investment, management and administrative services are provided under contract to external manager LWCM Limited (“the Manager”). PFL has no employees, and is governed by a board of directors, one of whom, Lance Wiggs, is a principal of the Manager.
- 1.2. This document sets out PFL’s Protected Disclosures Policy.

## **2. PROTECTED DISCLOSURES ACT 2000**

- 2.1. The Protected Disclosures Act (“PDA”) came into force in 2001. The purpose of the PDA is to promote the public interest by facilitating the disclosure and investigation of serious wrongdoing in or by an organisation, identifying procedures to be followed in making disclosures, and protecting those who make such disclosures.
- 2.2. The procedures and protections under the PDA apply only to employees of a company. PFL has no employees, but supports the public interest of disclosure and investigation of serious wrongdoing in or by an organisation, so has adopted the framework of the PDA legislation so that it applies to any party contracted to undertake services for PFL, any founder, director, or employee of any Portfolio Company, including any founder, director, or employee, contractor or service provider of the Manager.
- 2.3. PFL’s objective is to give those who wish to raise issues of serious misconduct or wrongdoing, faith that their role, reputation, or (where relevant) the support, opportunities, or future funding available to their Portfolio Company will not be jeopardised by speaking up.

## **3. ‘SERIOUS WRONGDOING’**

- 3.1. The PDA defines ‘serious wrongdoing’ as:

- i. unlawful, corrupt or irregular use of money or resources;
  - ii. conduct that poses a serious risk to public health, safety, the environment or the maintenance of the law;
  - iii. any criminal offence; or
  - iv. gross negligence or mismanagement.
- 3.2. In addition to these broad legislative categories, PFL considers 'serious wrongdoing' that is not covered in 3.1 above to also include:
  - i. financial irregularity;
  - ii. corrupt or criminal conduct;
  - iii. failure to comply with legal or regulatory obligations;
  - iv. unethical or unfair dealings with PFL Shareholders, Portfolio Companies or Management Company; and
  - v. any unethical or serious improper conduct, including breach of any PFL policy.
- 3.3. For founders, executives, directors or shareholders of Portfolio Companies, the serious wrongdoing may be in relation to their own or another Portfolio Company, or in relation to the Manager / LWCM.
- 3.4. A disclosure will be a protected disclosure if the information is about or involves 'serious wrongdoing', the reporting individual reasonably believes the information is true or likely to be true, and the reporting individual wants the serious wrongdoing to be investigated.
- 3.5. A disclosure will not be a protected disclosure if the reporting individual knows the allegations are false, the reporting individual is acting in bad faith, or the information being disclosed is protected by legal professional privilege.

#### **4. REPORTING PROCESS**

- 4.1. Any serious wrongdoing under this policy should be reported as follows:
  - i. to the Manager (unless the Manager is the subject of the report);
  - ii. to any PFL Board Member; or
  - iii. to the Chair of the PFL Board.
- 4.2. PFL encourages all parties to raise concerns about any issue or suspicion of malpractice at the earliest possible stage, and requires all serious matters to be escalated in accordance with the previous clause. If a reporting individual, or a

person to whom a reporting individual has disclosed their concern, is uncertain about the level of escalation the nature of the concern necessitates, PFL encourages escalation to the most senior level possible.

- 4.3. Individuals may submit an anonymous report to PFL at any time by writing a letter to the desired recipient c/- PFL Protected Disclosures, PO Box 106655, Auckland City 1143, New Zealand. The Manager monitors this PO Box and will promptly address the concern or, when the issue concerns executives within the Manager or is addressed to the PFL Board, will promptly bring the concern to the attention of the PFL Board.
- 4.4. Individuals can also contact the Chair of the PFL Board directly by email, without the involvement of the Manager, as follows:
  - i. [chair@punakaikifund.co.nz](mailto:chair@punakaikifund.co.nz) for general governance issues; and
  - ii. [mikebennetts@outlook.com](mailto:mikebennetts@outlook.com) for more sensitive and confidential matters.
- 4.5. Reports can be made anonymously; however, this may impede the ability of PFL or the Manager to effectively address and mitigate the suspect behaviour or event.
- 4.6. Nothing in this policy should be interpreted as limiting an individual's ability to report any questionable or unethical behaviour, or any illegal activities to the appropriate regulatory bodies to which PFL is held accountable, or to any other person in accordance with any relevant law, regulation or requirement.

## 5. INVESTIGATION PROCESS

- 5.1. Investigation processes will vary depending upon the precise nature of the conduct being investigated. The purpose of the investigation is to determine whether or not the concerns raised can be substantiated, with a view to PFL (via the Manager, if appropriate) rectifying any wrongdoing uncovered to the extent that it is practicable given the circumstance.
- 5.2. The investigation will be thorough, objective, fair and independent of the reporting individual, anyone who is subject to the enquiry, and any business unit concerned, and follow the guidelines set out by the PDA.
- 5.3. The PFL Director or Manager responsible for handling the investigation ("Responsible Person") will keep all relevant parties informed with regards to the outcome arising from the initial report, subject to the privacy of any involved parties and normal confidentiality requirements.
- 5.4. When appointing the Responsible Person, in addition to preserving confidentiality if required, care will be taken to ensure conflicts of interest are avoided. For example, in an instance where the reported serious wrongdoing involves the Manager, Lance Wiggs would not be an appropriate member of the board to be the Responsible Person conducting the investigation.

## **6. PROTECTION WHEN MAKING A PROTECTED DISCLOSURE**

- 6.1. The PDA provides that no civil, criminal, or disciplinary proceedings can be taken against a person for making a protected disclosure, or for referring one to an appropriate authority.
- 6.2. The PDA also provides that an employee who suffers retaliatory action by their employer for making a protected disclosure can take personal grievance proceedings under the Employment Relations Act.
- 6.3. It is also unlawful under the Human Rights Act to treat reporting individuals or potential reporting individuals less favourably than others in the same or similar circumstances.
- 6.4. In addition to the protections afforded by law, it is PFL's policy that the identity of the reporting person(s) will be kept between the manager to whom the report was made and the Responsible Person. These individuals will ensure all files related to the report and subsequent investigation are securely handled and stored, and that any information obtained from the reporting individual is held in confidence and is only disclosed to a person not connected with the investigation:
  - i. if the reporting individual has been consulted and has provided consent for the disclosure of information;
  - ii. if required for the effective investigation of the allegations;
  - iii. to prevent serious risk to public health or safety, or the environment;
  - iv. to comply with the principles of natural justice; or
  - v. if required or permissible by law.
- 6.5. PFL recognises that reporting serious wrongdoing can be a very stressful and difficult action to take. Provided that the reporting individual is acting in good faith and is not engaged in serious misconduct or illegal activity themselves, they will not be subject to disciplinary sanctions by PFL or the Manager in relation to any matters reported.
- 6.6. The Responsible Person is charged with safeguarding the reporting person's interests, with regards to this policy and the PDA. In particular, the Responsible Person will take whatever action is possible, in accordance with this policy, to make sure the reporting individual is not personally disadvantaged for making the report, whether by dismissal, demotion, any form of harassment, discrimination or any form of current or future bias.

## **7. RESPONSIBILITIES**

7.1. The **Punakaiki Fund Board of Directors** is responsible for:

- i. Where appropriate, the appointment of a Responsible Person to oversee investigating the report in accordance with the policies outlined in this document.
- ii. Ensuring all relevant parties are made aware of this policy.
- iii. Ensuring all reported incidents are thoroughly investigated within the bounds of this policy.
- iv. Maintaining an easy and confidential means of reporting for all relevant parties.

7.2. The **Manager** is responsible for:

- i. Appropriate handling and reporting, including escalating to the PFL Board where appropriate, of all concerns as outlined within this policy document.
- ii. Ensuring all Portfolio Companies and their respective employees are made aware of this policy.

<b>Version</b>	<b>Date Adopted</b>
V1.0	23 July 2020