



Whistleblower Policy

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1. Introduction

Macarthur Coal Limited and its subsidiaries (**Macarthur Coal**) are committed to encouraging a culture of openness, honesty and accountability in all who make Macarthur Coal successful.

Macarthur Coal recognises that achieving this aim will be assisted by an effective whistleblower protection program to encourage directors, employees, consultants and contractors of Macarthur Coal (**Personnel**) to bring to the attention of management any conduct that is unethical, dishonest, fraudulent, corrupt, illegal or otherwise unacceptable.

The purpose of this Whistleblower Policy (**Policy**) is to put in place a confidential and secure process for Personnel to anonymously report such conduct without being discriminated against, victimized or harassed. To achieve this purpose, this Policy is designed to:

- encourage employees to report conduct if they genuinely believe a person has breached Macarthur Coal's Code of Conduct, policies, the law or engaged in conduct that is unethical, dishonest, fraudulent, corrupt or otherwise unacceptable;
- demonstrate Macarthur Coal's commitment to a fair workplace and outline the process for managing conduct that is reported; and
- protect employees who, in good faith, report such conduct on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment.

Macarthur Coal's commitment to a culture of corporate compliance and ethical behavior is seen as a benefit to everyone who has contact with the company including its employees, directors, contractors, consultants, shareholders and customers.

2. Scope and audience

This Policy applies to directors, employees, consultants and contractors of Macarthur Coal.

This Policy covers the following key areas:

- the types of conduct that Personnel are encouraged to report through this Policy;
- the process for reporting complaints;
- the investigation of complaints; and
- the treatment of a whistleblower.

3. What types of conduct are Personnel encouraged to report?

Personnel are encouraged to report the following conduct (**Unethical Conduct**) when observed by that person:

- dishonesty;
- fraud;
- corruption;
- illegal acts including theft, drug sale or use, violence or threatened violence and criminal damage against property;

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- breaches of Commonwealth or State legislation or local authority by-laws (e.g. Corporations Act 2001 (Cth), Trade Practices Act 1974 (Cth), Income Tax Assessment Act 1997 (Cth), or Income Tax Assessment Act 1936 (Cth));
- unsafe work practices;
- any other conduct which is unethical; or
- any other conduct which any causes financial or non-financial or loss to the company or is otherwise detrimental to the interest of the company.

4. Reporting procedure

Personnel are encouraged to report known, suspected, or potential cases of Unethical Conduct by contacting either (**Whistleblower Officers**):

- Lisa Dalton, Macarthur Coal's Company Secretary on 3239 7613
- Tess Lye, Macarthur Coal's Corporate Counsel on 3239 7604

or making the report in writing sent to either of those persons care of Level 5, 100 Melbourne Street, South Brisbane 4101.

The fact that a report is made to a Whistleblower Officer about a person of equal or higher seniority to the relevant Whistleblower Officer will not prevent the report being investigated. Whistleblower Officers are entitled to contact the Chair of the Board or the Chair of the Audit and Risk Management Committee for assistance in initiating or investigating the conduct of an executive officer of the Company.

If Personnel are not comfortable reporting Unethical Conduct to either of those persons, she or he should report the conduct to any senior manager that she or he is comfortable approaching.

Reports of alleged Unethical Conduct should contain as much information as possible to allow for proper investigation of the matter. As far as possible, the report should be limited to factual matters that are known or reasonably suspected by the person reporting the conduct.

Reports that are speculative, do not identify with sufficient clarity the nature of the conduct or do not have any factual basis may not be able to investigated.

Confidentiality and anonymity

Conduct may be reported anonymously. However, if a person chooses to disclose an issue anonymously, this may hinder the ability to fully investigate the matter. Conduct that involves a threat to life or property, illegal activities or legal action against Macarthur Coal may require actions that do not allow for complete anonymity. If it is necessary to disclose the identity of the person who reported the conduct, reasonable steps will be taken to discuss this with that person first.

Conduct that is reported under this Policy will be treated as confidential to the extent possible. This includes the identity of people who have reported conduct and those who are the subject of the report. Circumstances in which the conduct may be disclosed include where it is prudent to do so to conduct an appropriate investigation into the alleged Unethical Conduct and where disclosure is required by legal and regulatory requirements.

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5. Investigation procedure

When Unethical Conduct is reported to a Whistleblower Officer or to any senior manager, he or she shall make a handwritten record of any report and of the date of its receipt. The handwriting of this initial record is intended to assist in maintaining strict confidentiality. Macarthur Coal will ensure all handwritten records and any other materials relevant to an investigation are stored securely with the whistleblower files in the Human Resources office.

All conduct reported under this Policy will be investigated on a timely basis. The purpose of the investigation is to determine whether the alleged Unethical Conduct has occurred.

When Unethical Conduct is reported:

- if the report is made orally, the Whistleblower Officer or senior manager to whom the conduct is reported will make a handwritten record of the discussions with the person making the report, including the date that the report was made, the person about whom the report was made and the nature of the conduct alleged to be Unethical Conduct. The person to whom the conduct is reported will then ask the person reporting the conduct to sign the handwritten record to acknowledge that it accurately reflects the conduct alleged to be Unethical Conduct;
- if the report is made in writing, the Whistleblower Officer or senior manager to whom the conduct is reported will contact the person making the report and arrange to discuss the matter with them. The person to whom the conduct is reported will make a handwritten record of the discussions with the person making the report and ask the person reporting the conduct to sign the handwritten record to acknowledge that it accurately reflects the conduct alleged to be Unethical Conduct;
- no records of the alleged Unethical Conduct or the person making the complaint are to be stored electronically or placed on any personal or shared drives by a Whistleblower Officer or senior manager to whom the conduct is reported. In the ordinary course of an investigation records will be retained in a hard copy form in secure storage, on the personnel file of the person reporting the conduct, in the Human Resources Department. In the event that the General Manager - Human Resources considers it necessary for reports to be saved electronically he or she may do so (for example, a scanned pdf file of the handwritten report) in a secure electronic folder;
- if the person to whom the conduct is reported is not a Whistleblower Officer, that person will refer the matter to a Whistleblower Officer or, if inappropriate to do so, to the Chief Executive Officer, the Chair of the Board or the Chair of the Audit and Risk Management Committee;
- a person will be appointed to carry out an investigation into the matter. The person appointed to carry out the investigation may be an employee of Macarthur Coal or may be an external consultant appointed to solely to investigate the matter. The investigation may include the following steps:
 - obtaining further details of the allegations;
 - if appropriate, informing the person against whom the allegations are made and seeking her or his response to the allegations; and
 - involvement of external parties, such as the auditor or police.

To the extent that it is appropriate to do so, the person who made the report will be kept

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informed of the progress made during the investigation.

Macarthur Coal will ensure that any electronic files are stored on a stand alone computer and given password protection. Macarthur Coal will not e-mail documents relevant to a whistleblower matter and will ensure all phone calls and meetings are conducted in private.

Once the investigation has concluded, the findings will be reported to the CEO or Chairman, who will determine the course of action to be taken as a result of the findings. Macarthur Coal is committed to rectifying any wrongdoing, verified by the investigation, to the extent practicable in all circumstances. All verifiable corruption and compliance failures will be dealt with appropriately.

6. Treatment of the 'whistleblower'

Any person who reports alleged Unethical Conduct in good faith will not be discriminated against or disadvantaged in her or his employment with Macarthur Coal for making a report in accordance with this Policy.

Macarthur Coal will also take all reasonable steps to ensure that adequate and appropriate protection from any reprisals is provided due to a person making a report in good faith. Reprisals include any form of victimization, intimidation or harassment or threats. This protection applies regardless of whether the matter is proven or not so long as the report was made in good faith.

Should a person who has reported Unethical Conduct, believe that they have experienced any reprisals, she or he should notify the persons nominated in Section 4 of this Policy.

Whistleblowing is not about airing a grievance. It is about real or perceived malpractice. A report may damage the career prospects and reputation of people who are the subject of serious allegations. Therefore if a report is not made in good faith or is found to be malicious, deliberately misleading or frivolous, the person making the report may be subject to disciplinary action.

7. Review

Macarthur Coal will monitor and review this Policy regularly to assess its effectiveness in encouraging the reporting of Unethical Conduct, protection of persons making reports, investigating fairly and effectively and rectifying verified wrongdoing. This monitoring will be facilitated by reports to the board of Macarthur Coal that will not compromise confidentiality.

8. References

This Whistleblower Policy is related and should be read in conjunction with Macarthur Coal's Code of Conduct.

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