

Whistleblower Protection Policy

1. Purpose

- 1.1 VDM Group Limited (“VDM” or “Company”) is committed to ensuring that VDM and its controlled entities (“VDM Group”) and all its officers and employees, act at all times in compliance with all laws and in compliance with the Company’s Code of Conduct.
- 1.2 VDM recognises that any genuine commitment to detecting and preventing illegal and other undesirable conduct must include, as a fundamental cornerstone, a mechanism whereby employees and others can report their concerns freely and without fear of repercussion.
- 1.3 This policy provides such a mechanism and encourages the reporting of such conduct.

2. Benefits

This policy aims to achieve the following benefits for VDM Group:

- a) More effective compliance with relevant laws.
- b) More effective fiscal management.
- c) A healthier and safe work environment through the reporting of unsafe practices.
- d) More effective management.
- e) Improved morale within VDM Group.
- f) Enhanced perception and the reality that VDM Group is taking its governance obligations seriously.

3. Who Does this Policy Apply to?

This policy applies to all employees, officers and contractors of VDM Group, whether full time, part time, casual or any level of seniority wherever employed.

4. What Sort of Concerns Should be Reported?

All employees are encouraged to report any genuine matters on behaviours that they honestly believe contravenes VDM’s Code of Conduct, VDM Group policies, or the law. For the purposes of making a report under this Policy, matters may include any actual or suspected:

- a) Conduct or practices which are illegal or a breach of the law.
- b) Breach of any of VDM’s Group policies.
- c) Corrupt activities.
- d) Theft, fraud or misappropriation.
- e) Significant mismanagement or waste of funds or resources.
- f) Abuse of authority.
- g) Serious harm to public health, safety or environment or the health and safety of any VDM Group employee.
- h) Any action taken out against or harm suffered by an employee as a result of making a report under this policy.

5. How Can a Matter be Reported?

- 5.1 If you become aware of any matter or behaviour which you consider contravenes VDM's Code of Conduct, VDM Group policies, or the law, then you should either:
- take the matter up with your immediate supervisor or manager; or
 - report the matter to your Human Resources Manager, a more senior manager or VDM's Company Secretary; or
 - in instances where you wish to remain anonymous, contact the chairperson of the Audit Committee, Mr Barry Nazer on (08) 9367 8133 (the external service provider).

6. What Happens After a Report is Made?

- 6.1 All reported concerns will be investigated appropriately and where appropriate feedback regarding the investigation's outcome will be provided to you.
- 6.2 The necessary course of action will be taken in response to a report and if no action is taken you will be given an explanation.
- 6.3 Your identity and the fact that you have made a report and the contents of the report will be kept confidential and no details of your participation in this process will be included in your personnel file or performance review.
- 6.4 The report will not be disclosed to anyone except those that are actively involved in investigating the matters raised in the report.

7. What Happens to You?

- 7.1 You will not be discriminated against or disadvantaged in your employment with VDM Group, for making a report in accordance with this policy nor will you receive reprisals due to your actions in making a report.
- 7.2 VDM Group will take all reasonable steps to ensure that adequate and appropriate protection is being provided to those who, in good faith, make a report. This protection applies if the matter is proven or not, regardless of whether it is reported to the external service provider.
- 7.3 Whistleblowing is not about airing a grievance. It is about reporting real or perceived malpractice. A report may damage the career prospects and reputation of people who are the subject of serious allegations and therefore if your report is not made in good faith or is found to be malicious, deliberately misleading or frivolous, you may be subject to disciplinary action which may include termination of employment.

8. Australian Standard Compliance

This policy forms part of the Company's commitment to comply with the requirements of AS 8004–2003.

9. Review of Policy

This policy shall be reviewed by VDM on a regular basis and revised taking into account the requirements of AS 8004–2003.

LAST REVIEWED: 26 August 2010