



LOLC FINANCE PLC

WHISTLEBLOWING POLICY

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1 Policy

- 1.1 LOLC Finance PLC (LOFIN) are committed to maintaining the highest standards in ethics & integrity while maintaining transparency and accountability of all its activities at all levels of operations.
- 1.2 LOFIN encourage all employees to inform the relevant level of management of any activity or matter which is detrimental to the best interests of the organization or to the general public to appropriate level of the management.
- 1.3 LOFIN will take every effort to safe guard the person who made the disclosure to the full extent provided by the law.

2 Scope

- 2.1 This policy should be read in conjunction with the fraud prevention and management policy of LOFIN
- 2.2 All employees of LOFIN are governed by this policy
- 2.3 Staff members are encouraged to disclose any concerns which are detrimental to the best interests of LOFIN to the best of their knowledge (Whistleblowing). These concerns may include but are not limited to;
 - Financial irregularities or fraud (please refer the fraud management policy for more details)
 - Corruption or Mismanagement
 - Non compliances with legal provisions or regulatory guidelines.
 - Non adherence to policies & procedures of the organization.
 - Dangers to Health & Safety
 - Criminal & illegal Activities
 - Improper conduct or unethical behavior
 - Abuse of authority or any form of harassment.
 - Damages to environment & pollution
 - Any matter detrimental to the best interest of the organization.
 - Attempts to conceal any of the above

- 2.4 This policy is not applicable to employee grievances which is covered by the grievance handling policy.

3 Safe Guards

3.1 Protection

- 3.1.1 The identity of an employee or complainant who reports a suspected irregularity would be protected to the full extent allowed by the law.
- 3.1.2 Retaliation or victimization of whistleblowers will not be tolerated. The Executive Management of LOFIN will not tolerate any form of retaliation against staff members providing information concerning irregularities.
- 3.1.3 For the purposes of this policy retaliation includes but not limited to any act of harassment, discrimination or reprisal, direct or indirect, threatened or taken against a Whistleblower due to the disclosures made by any staff member or initiated by such staff member.
- 3.1.4 The same level of protection would be extended to informants as listed in clause 3.7 of the Fraud Prevention & Management policy. Provided that the disclosure is made in good faith & in the best interest of the organization.
- 3.1.5 No protection is allowed under this policy from disciplinary action against willful or malicious disclosures which are untrue/unsubstantiated and made with a vested interest.
- 3.1.6 Any act of retaliation should be reported to the Head of Internal Audit LOFIN. If the alleged victimization is by the Head of Internal Audit the same to be reported to the Chairman LOFIN or to the audit committee.

4 Confidentiality

- 4.1 LOFIN will treat all disclosures in fullest confidentiality. The identity of the informant will be kept confidential unless disclosure is required by law or any internal investigation requires the informant to make any statements which is crucial & material for the ongoing investigation.
- 4.2 Whistleblower will be informed of any disclosures to be made under the provisions of this policy prior to the disclosure.
- 4.3 Anonymous allegations will be entertained only on the merit of the allegation, the seriousness of the mater reported and the ability to verify facts mentioned in the allegation.
- 4.4 Any unauthorized disclosure of whistleblower information will be subject to disciplinary action.

5 Procedure for making disclosures

- 5.1 On receipt/Observation of information or of any irregularity the staff member who receives such information or become aware of an irregularity or perceive a potential future irregularity should inform the relevant authorities as soon as is reasonably possible as detailed below.
- 5.2 The mode of communication can be chosen by the informant.
- 5.3 Any irregularity should be reported to the head of the unit unless the complaint is against the head of the unit or the whistleblower/ informant has reasons to believe that the head of the unit is anyway involved. In such case the information can be passed on to the Head of Internal Audit (Please refer the fraud management & prevention policy for recommended action in case of a suspected fraud) or on the whistleblower hotline 5752622.
- 5.4 The informant has the right to by pass the line management and report directly to Head of Internal Audit, CEO or Chairman LOFIN. The aforesaid officers or the Executive management has the right to appoint an investigating officer as provided in the organizational policies or an officer of the line management as the investigation officer where no conflict of interest or prejudice is perceived. Generally the investigations are conducted by the Internal Audit.
- 5.5 The informant has the right to receive an acknowledgment of the complaint if given in writing & signed. The officer who receive such information is required to acknowledge as receipted.
- 5.6 Concealment of information with regard to any irregularity is an offence and may warrant disciplinary action.

6 Investigation Procedure

- 6.1 The information received of malpractices /irregularities to be investigated by the relevant head of the unit **except in instance of a suspected fraud, in which case the Fraud prevention policy supersedes the provisions of this policy or in situations where an investigation officer is appointed by the executive management to handle the investigation.**

- a. The relevant head of the unit should take appropriate action to investigate or nominate an investigation officer depending on the seriousness of the allegation, provided that the irregularity reported is within the full responsibility of his/her division. (Cross divisional investigations should be referred to ERM-Internal Audit).

6.2 Once an irregularity is reported, immediate action to prevent the theft, alteration or destruction of relevant records to be taken by the investigating officer /team. Such actions may include, but are not necessarily limited to;

- Removing the records from its source and securing them.
- Access restrictions both physical and Logical (Electronic) to the location where the records are stored.
- Any computer or electronic related records will be secured under the supervision/authority of the Head of IT or by a Nominee approved by the executive management.
- The records must be adequately secured until the investigating officer obtains the records to begin the investigation.

- 6.3 An Investigating officer/team appointed may require the expertise of other divisions/officers depending on the nature of the irregularity being investigated. It is the responsibility of the respective management to fully cooperate with such requests.
- 6.4 in instances where sensitive & confidential information is involved or the investigation scope goes beyond the respective divisions authority. The investigation should be referred to ERM-Internal Audit.
- 6.5 All employees are duty bound to fully cooperate, and assist the investigations.
- 6.6 All evidence collected pertaining to the investigation will be taken under the custody of the investigation officer/team as necessary and such officer /team is required to acknowledge any documentation or equipment removed from site /custody to the Divisional Manager/Head of Unit/ Custodian of such documentation/ equipment.
- 6.7 All verbal statements recorded will be in the presence of two responsible officers and the person giving the statement will be required to sign off such evidence. In the absence of a sign off from the officer giving the statement two or more investigation officers are required to sign off such evidence as accurate.
- 6.8 On determining that a reported incident is a fraud / irregularity, malpractice or not credible, the investigation officer will document this determination with justification.
- 6.9 The Investigating officers department/ division will maintain all the records with regard to investigations they conduct and details of such investigations should be reported to ERM-Internal Audit, ERM-Risk and HR.
- 6.10 All details of investigations are confidential and will be shared only as provided in this policy or on a need to know basis or as required by the law.
- 6.11 If an investigation substantiates irregular activities/ fraud, the investigating Officer will prepare an incident/investigation report to the organization's executive management and audit committee highlighting control weaknesses & recommendations to mitigate the risks with a copy to ERM-Internal Audit.

6.12 If a suspicion of irregularities or malpractices of any nature is substantiated by the preliminary investigation, disciplinary action, up to and including dismissal, may be taken by the appropriate level of management, in consultation with the Human Resources, Legal and ERM - Internal Audit Departments after initiating disciplinary procedure as provided in the HR policies.

“Where a prima facie case has been established of any criminal activity the matter shall be referred to law enforcement authorities. Any action taken by the law enforcement authorities shall be pursued independently of any employment related investigation by the organization.”

6.13 The informant has the right to inquire the progress of the investigation and action taken on the outcome of such investigation. The investigation officer at the discretion may release such information as long as such information is non-sensitive or of confidential nature and would not hamper the progress of the investigation. (The investigation officer may choose to withhold information which are not directly linked to complaint/ information provided by the complainant or derived secondary during the course of the investigation)

6.14 If the informant is not satisfied that their concern is being properly addressed by the line management he/she has the right to escalate it to the Chairman, CEO or the Head of Internal Audit.

6.15 If the investigation finds the allegations unsubstantiated and all internal procedures have been exhausted, but the complainant is not satisfied with the outcome of the investigation, the Company recognizes the lawful rights of employees and ex-employees to make disclosures to prescribed persons as provided by the law.