

Whistleblowing Policy and Procedure



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Table of Contents

1	INTRODUCTION	4
2	OBJECTIVE OF THE POLICY	4
3	SCOPE OF THE POLICY	5
4	BOARD AND MANAGEMENT COMMITMENT TO THE POLICY.....	6
5	TIME FRAME	6
6	WHISTLE BLOWING PROTECTION POLICY.....	7
7	IMPACT OF WHISTLE BLOWING POLICY.....	7
8	WHISTLEBLOWING PROCEDURE	8
9	EMBEDDING A STRONG WHISTLE-BLOWING CULTURE ACROSS THE GROUP .	9
10	CONCLUSION.....	10

PREAMBLE

Employees are often the first to realize that there may be something seriously wrong within the organization. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the company. They may fear harassment or victimization. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.

TCL Group is committed to the highest possible standards of openness, probity and accountability. In line with the commitment we expect employees and other that TCL group deals with, who have serious concerns about any aspect of the group work to come forward and voice those concerns. It is recognized that most cases will have to proceed on a confidential basis.

This policy document makes it clear that employees can do so without fear of victimization, subsequent discrimination or disadvantage. This policy is intended to encourage and enable Employees to raise serious concerns within the group rather than overlooking a problem or blowing the whistle outside.

The policy applies to all employees and those contractors working for the TCL Group. It also covers suppliers and those providing services under a contract with the group in their own premises.

These procedures are in addition to the TCL's code of conduct, grievance procedures and other statutory reporting procedures. Where this policy is in conflict with an Act enacted by the Parliament of Kenya, then the Act will take precedence over this policy.

Responsibility for ensuring compliance with the policy rests with those charged with governance. The Group Internal Auditor is responsible for keeping the policy up to date, defining the extent to which powers and duties vested in him/her may be exercised and performed by officers under him/her and giving direction to ensure the proper exercise of the powers and performance of the duties.

1 INTRODUCTION

TransCentury Group takes cognizance of the fact that what may appear to be small infractions if not handled immediately is likely to lead to financial loss to the Company and its stake holders and could also lead to employees' job loss. Therefore, TransCentury Group Whistleblowing Policy has been developed to set out broad guidelines that will enable employees who have information regarding financial impropriety, unethical, dishonest, discriminatory or illegal practices to come forth and to report to management without fear of retribution or recrimination. The policy is meant to make the workplace healthier and more conducive, where problems are handled expeditiously and professionally as and when they are detected in their early stages.

2 OBJECTIVE OF THE POLICY

This policy is intended to encourage staff and other relevant stakeholders to report perceived unethical or illegal conduct of employees, management, directors and other stakeholders across the company to appropriate authorities in a confidential manner without any fear of harassment, intimidation, victimization or reprisal of anyone for raising concern(s) under this policy. Specific objectives of the policy are:

- i. To ensure all employees feel supported in speaking up in confidence and reporting matters they suspect may involve improper, unethical or inappropriate conduct within TransCentury and its subsidiaries;
- ii. To encourage all improper, unethical or inappropriate behaviour to be identified and challenged at all levels of the organization;
- iii. To proactively prevent and deter misconduct which could impact the financial performance and damage the company's reputation;
- iv. To provide assurance that all disclosures will be handled seriously, treated as confidential and managed without fear of reprisal of any form; and
- v. To help promote and develop a culture of openness, accountability and integrity.
- vi. Facilitating a process that encourages employees to freely and voluntarily come forward in good faith to share with management any information they may have regarding any wrong doing that may be detrimental to the Company's smooth

operations, its stakeholders as well as its employees.

- vii. Ensuring that a process is in place to allow employees to report alleged improper conduct without fear of retribution or recrimination.
- viii. Promoting an integral process for sustainable work culture of zero tolerance to inappropriate behaviour, fraud, corruption, harassment, illegal acts, cheating, unsafe working conditions, etc.
- ix. Protecting the Company against financial loss that is likely to arise through impropriety, infraction of policy and regulations and gross misuse of Company's resources through pilferage etc.

3 SCOPE OF THE POLICY

This policy and procedure manual is designed to enable employees and other relevant stakeholders to report any perceived act of impropriety which should not be based on mere speculation, rumors and gossips but on knowledge of facts. Reportable misconducts covered under this policy include:-

- a) All forms of financial malpractices or impropriety such as fraud, corruption, bribery, theft and concealment;
- b) Failure to comply with legal obligations, statutes, and regulatory directives;
- c) Actions detrimental to Health and Safety or the work environment;
- d) Any form of criminal activity;
- e) Improper conduct or unethical behavior that undermines universal and core ethical values such as integrity, respect, honesty, accountability and fairness;
- f) Other forms of corporate governance breaches;
- g) Connected transactions not disclosed or reported in line with regulations;
- h) Insider abuse;
- i) Non-disclosure of interests;
- j) Sexual or physical abuse of staff, customers, prospective staff, service providers and other relevant stakeholders; and
- k) Attempt to conceal any of the above listed acts.

The above listed reportable misconducts or concerns are not exhaustive. However, judgment and discretion is required to determine misconduct that should be reported under this policy. The general guide in identifying reportable misconduct is to report concerns which are repugnant to the interest of the Group and the general public.

This policy covers the activities of TransCentury and all the subsidiaries within the Group. The policy shall also be read in conjunction with the whistleblowing guidelines that may be issued by relevant regulatory agencies with oversight on the operations of the Group.

Finally, this policy does not cover individual staff grievances and other employee related matters already covered in the staff hand-books of TransCentury Limited and the relevant subsidiaries.

4 BOARD AND MANAGEMENT COMMITMENT TO THE POLICY

The Board and Management are aware that a robust internal system for employees and other relevant stakeholders to disclose workplace malpractices without fear of reprisal shows that employees take their responsibilities seriously, and also helps to avoid the negative publicity that often accompanies disclosures to external parties.

Hence the Board of Directors and Management is committed towards promoting a culture of openness, accountability and integrity, and will not tolerate any harassment, victimization or discrimination of the whistleblower provided such disclosure is made in good faith with reasonable belief that what is being reported is fact.

5 TIME FRAME

When employees engage in negative and unproductive or fraudulent activities/conspiracy, there is a tendency that these behaviors will fester and escalate into bigger problems if not firmly handled as soon as detected. Therefore the time-frame within which issues should be reported is critical. It is important that staff (whistleblowers) report incidents immediately they are detected to facilitate quick investigations and resolution.

6 WHISTLE BLOWING PROTECTION POLICY

The whistle blowing policy allows for the protection of the employee who, in good faith, reports what he/she perceives to be an infraction to receive no negative treatment for his/her honesty and reporting of his/her observations. The policy removes any restrictions from any junior employees to freely submit any information against upper level management or higher ranking board members regarding negative and unproductive or fraudulent activities/conspiracy against the Company. However, any employee who makes malicious reports against another employee for the purpose of creating turmoil, undermine another staff or cause injury to that person will be guilty of malicious damage and may face severe disciplinary action including summary dismissal.

7 IMPACT OF WHISTLE BLOWING POLICY

The impact and success of the whistle blowing policy will be realized by the Company if all staff conduct themselves in an ethical and honest manner in ensuring that they become custodians of the Company's resources and business interest. It is expected that the Policy will enhance an environment in which staff are expected to give full account of the resources under their charge and they must exhibit the highest standards of ethics, integrity and honesty. This environment will equally be reciprocated by management when they encourage greater accountability through responsive and equitable recognition of employees who consistently exhibit a high degree of honesty and are dedicated in the discharge of their work. In this regard, management will ensure that the work environment offers staff equal opportunity to grow their career through progressive employment policies. Whereas an employee may make an unintended honest mistake that exposes the Company and does not deserve harsh disciplinary measures, gross negligence occasioning loss to the Company will be firmly dealt with.

All employees within TransCentury Group are required to conduct themselves with the highest level of integrity, honesty, mutual trust and respect for ethics. Therefore, the Company's Whistle Blowing Policy is meant to inculcate within our staff high values that will translate to commitment in delivering effective customer service and accountability to the stakeholders.

8 WHISTLEBLOWING PROCEDURE

Whistleblowing involves staff members and non-staff members across the Group raising concerns about unethical conduct. The following procedure shall be adopted for the purpose of internal whistleblowing;

S/N	Steps	Action
1	Step One Raising concern(s) by whistleblower medium and format.	<p>A whistleblower may raise concern through any of the following media (this can be done either by declaration in confidence/anonymously):</p> <ul style="list-style-type: none"> ➤ Formal letter to, email to and/or a meeting with Group Chairman (tcgroupchair@gmail.com) ➤ Formal letter to and/or a meeting with the Group Managing Director (tcgroupceo@gmail.com) ➤ Formal letter to and/or a meeting with the Group Internal Auditor (tcgroupauditor@gmail.com) ➤ Dedicated phone number – Toll Free number (To be communicated in the TC website). <p><i>*Note that the emails provided are outside the group domain to ensure utmost confidentiality of the contents and to protect the whistleblower. Google security features are sufficient for this purpose.</i></p>
2	Step Two Investigation of Concern and updates on progress of investigation	<p>The Group Internal Auditor shall on receipt of the concern(s) acknowledge receipt of the concern from the whistleblower within 5 working days, and immediately commence investigation. The purposes of investigation are to:</p> <ul style="list-style-type: none"> ➤ Establish if a wrongdoing has occurred based on the concern(s) raised, and if so to what extent; and ➤ To minimize the risk of further wrongdoing, prevent any further loss of assets, damage to the group`s reputation and if possible protect all sources of evidence. <p>If preliminary investigation shows that the concern falls within the whistleblowing reportable concerns, then further investigation shall be carried out.</p> <p>If the concern raised by the whistleblower is frivolous or unwarranted, the Group Internal Auditor shall ignore such concerns, if necessary disciplinary measure in line with Human Resources policy shall apply to staff that raise concern out of malice.</p>

S/N	Steps	Action
3	Step Three Report Investigation Action on report.	<p>Upon conclusion of investigation, the Group Internal Auditor shall submit his/her report to the Group Human Resource Manager or the appropriate authority for further action(s). Where necessary the Group Internal Auditor shall escalate to the Group Chief Executive Officer, and subsequently to the Group Audit Committee.</p> <p>However, quarterly reports to keep the Group Chief Executive Officer abreast of developments in Whistleblowing shall be submitted by Group Internal Auditor.</p> <p>All disciplinary action relating to the report shall follow the Group`s disciplinary procedure as contained in the staff code of conduct and handbook.</p>
4	Step Four Non satisfaction with result of investigation Report of investigation and action report	In the event that the whistleblower is not satisfied with the extent of investigation and or the action taken based on the outcome of the investigation, the whistleblower is at liberty to report to the Group Chief Executive Officer.

9 EMBEDDING A STRONG WHISTLE-BLOWING CULTURE ACROSS THE GROUP

While regulation and best practice in corporate governance requires entities irrespective of their size and location to have a whistleblowing policy, TransCentury believes that simply having a whistleblowing policy is not enough to create a culture in which employees are genuinely encouraged to disclose unethical behaviors.

In creating an enabling environment which ensures that whistleblowing culture is effective across the group; companies within the group are required to adopt the following measures:

S/N	Measures	Remark
1	Board and Management comment	The Board and Management of subsidiaries are expected to clearly support and sponsor whistleblowing in their entities. This will include adopting the policy and have the Group Internal Auditor as the

S/N	Measures	Remark
		advocate for whistle-blowing, who shall be authorized to implement and undertake investigation.
2	Communication and Training	All employees in subsidiaries should be aware of the existence of a whistleblowing policy. This can be achieved through regular compulsory training by Internal Audit Department, newsletters, emails and Presentations. Annual declaration by all staff of having read and understood the policy shall also be encouraged.
3	Proper Investigation and Action	All whistleblowing disclosures or concerns must be investigated promptly and properly, and appropriate action taken upon conclusion of investigation. Furthermore, all whistleblowing investigation shall be kept confidential.
4	Feedback on effectiveness of policy	Regular survey on the effectiveness of the policy should be conducted at regular interval preferably by an independent whistle blowing external party.
5	Reward	Reward system to encourage a strong and effective whistleblowing culture can be institutionalized.

10 CONCLUSION

In conclusion, we reiterate that that the Company will not tolerate fraud and corruption or any criminal activity that will compromise ethical standards and values that we believe in as a Company. Within this context, the Company’s Whistle Blowing Policy should encourage employees who become aware of possible wrong doings to report with a full assurance that their reports will be treated discretely.

ANNEX 1

STAFF DECLARATION

I have received the TransCentury Whistleblowing Policy, which I have read and understood.

NAME:
STAFF NO
COMPANY/SUBSIDIARY
SIGNATURE
DATE

HUMAN RESOURCE
DATE:

PLEASE RETURN THIS PAGE TO HUMAN RESOURCES DEPARTMENT.