

## CORPORATE WHISTLE BLOWING POLICY

The aim of Corporate Whistle Blowing Policy is to provide a platform for Whistle Blowers to raise their concerns to appropriate pre-identified authority about any suspicious or undesired events / activities, which are against the policies of AEG Pakistan (AEG) or may have an adverse impact on the business or goodwill of AEG or the society at large. Whistle Blowers should be able to report such case(s) without any reservations of retribution, such as fear for the loss of job, discrimination, victimization, harassment, etc. Whistle Blowing is one of the effective contemporary managerial techniques used for prevention / detection of the likely attempt(s) of defrauding the organization and other malpractices by its employees, customers and/or other parties. It mobilizes the employees to communicate their suspicions and reasonable doubts to the management about malicious activities without fear and prejudice.

### 1. Introduction

#### 1.1 Purpose

The purpose of this Policy is to create an environment at AEG whereby the employees / vendors / service providers / concerned are encouraged to reveal and report, without any fear of retaliation, subsequent discrimination and of being disadvantaged in any way, about any fraudulent, immoral, unethical or malicious activity or conduct, which in their opinion may cause financial or reputational loss to AEG.

Corporate Whistle Blowing Policy of AEG provides assurance to the Whistle Blowers about secrecy and protection of their legitimate personal interests. It also provides incentives for the Whistle Blowers upon report of suspicious activities.

It is AEG's policy to support and encourage current or former employees of AEG, shareholders, vendors, contractors, service providers, customers or the general public to report and disclose fraudulent, immoral, unethical or malicious activities and conduct investigation on such reports. The Corporate Whistle Blowing Policy assures that all reports under this Policy would remain strictly confidential and that AEG is also committed to address reports (if any) that alleges acts of interference, revenge, retaliation and threats against the Whistle Blowers.

AEG's internal control and operating procedures are intended to detect and to prevent or discourage such activities; however, even the best systems of controls cannot provide absolute safeguards against irregularities. Therefore, all employees are encouraged to report any such activity or act / misconduct that may cause financial or reputational loss to AEG.

#### 1.2 Definitions

**Whistle Blowing:** Whistle Blowing is a communication to a competent authority by an individual or an institution to expose and / or inform upon, alleged fraudulent, immoral, unethical or malicious activities or discrimination or some other type of adverse occurrence that violates a law, regulation, policy, morals, and/or ethics and especially those matters that jeopardize the credibility and reputation of AEG.

**Corporate Whistle Blowing Policy:** Corporate Whistle Blowing Policy is to encourage the Whistle Blowers to voice their concerns to an appropriate pre-identified authority about any fraudulent, immoral, unethical or malicious activities, which are against the policy of AEG or may have an adverse impact on the business or goodwill of AEG or the society at large without any reservations of retribution such as fear for the loss of job, discrimination, victimization, harassment etc.

**Whistleblower:** Whistle Blower is a person or institution, who blows the whistle and sends communication to the entrusted authority, following the process as prescribed, includes current or former employees of AEG, shareholders, vendors, contractors, service providers, customers or the general public.

The role of a Whistle Blower would remain to the extent of reporting only, who will neither be considered an investigator nor determines the appropriate corrective or remedial action that may be required under the given situation

**Whistle-blowing Function:** An operationally independent function established, under supervision of Audit Committee (“BAC”), for handling and monitoring allegations, complaints and concerns raised by the Whistle Blower under Whistle Blowing policy.

**Investigator:** The BAC shall advise the whistle blowing complaints to the Internal Audit or any other appropriate AEG Executive or outsource to any investigator. If the complaint is against Internal Audit, the person so designated by BAC for investigation may delegate the investigation to any person out of Internal Audit or outsource to any external agency.

**Good Faith:** Good faith is evident when the report is made, in the interest of AEG, without consideration of personal benefit and not based on personal grudges and enmity, and the Whistle Blower has a reasonable basis to believe that the contents of the report are true. However, it is not necessary that a report made in good faith, proves to be true.

**Misconduct:** Examples of Misconduct include, but are not limited to, financial fraud, violation of laws and regulations, violation of AEG’s policies, immoral or unethical behavior or malicious practices, negligence of duty and threats to AEG.

**Retaliation:** Retaliation means any act of discrimination, revenge or harassment directly or indirectly taken against a Whistle Blower, by any person, for making a disclosure under this Policy.

**Protection:** Protection means all reasonable steps taken by AEG to ensure confidentiality of the Whistle Blower’s name as well as measures enforced to protect the Whistle Blower from retaliation and financial losses.

### **1.3 Responsibility for Implementation**

The Audit Committee of the Board (BAC) shall be responsible for implementation of this Policy.

### **1.4 Applicability**

This policy shall be applicable to all of AEG's employees and outside parties such as shareholders, vendors, customers etc.

### **1.5 Availability**

This Policy shall be available on the AEG's corporate website and as well as on internal policy platforms.

### **1.6 Safeguards**

The success of this Policy depends in part on the integrity, observation and professional ethics of the Whistle Blower & respondent(s) as well as on the level of confidentiality maintained. However, retaliation by workplace peers and harassment or victimization by the management, are the major disincentives to Whistle Blowing. Therefore, to avoid the possibility of emotional, psychological and/or physical harm upon the Whistle Blowers as a result of Whistle Blowing, AEG stands committed to safeguard the Whistle Blowers.

### **1.7 Confidentiality**

All matters will be dealt with confidentiality and the identification of the Whistle Blower will not be disclosed except for inevitable situations, where disclosure of identity of the Whistle Blower is essential (for instance, his / her statement/evidence is needed in court) or report of a complaint has to be disclosed to those persons who have a need to know in order to properly carry out an investigation of the complaint.

### **1.8 Revision**

The BAC shall be responsible for keeping this document updated from time to time. Therefore, this Policy shall be subject to a formal review by the BAC on a periodic (at least once in every three years) basis and the proposals for any changes / modifications/ amendments therein shall be submitted to the BOD for approval.

### **1.9 Independence of Whistle Blowing Unit**

Whistle Blowing Function has been formed under supervision of BAC.

## 2. Objectives & Scope

### 2.1. Objectives

The intended objectives of this policy are:

- To strengthen culture of transparency and trust by encouraging all the employees, vendors, service providers and concerned to blow whistle where they may genuinely know or suspect any immoral, unethical, fraudulent act of any current or former employees, vendors, contractors, service providers and customers which may have potential to cause financial or reputational risk or loss to AEG.
- To create awareness amongst employees and stakeholders regarding the Whistle Blowing Function.
- To enable Management to be informed at an early stage about fraudulent, immoral, unethical or malicious activities or misconduct and take appropriate actions.
- Provide a swift and confidential process for rectifying malfeasance wherever and whenever it occurs.

### Scope

The scope of this Policy includes, without limitation, the following:

- Unlawful acts or orders requiring violation of a law, gross waste, mismanagement, abuse of authority and resources of AEG;
- Fraud – an intentional act by one or more individuals amongst management, those charged with governance, employees or third parties, involving the use of deception to obtain an unjust or illegal advantage;
- Corruption / Bribery – the offering, giving, receiving or soliciting, directly or indirectly, anything of material value or providing undue benefits to influence improperly the actions of another person / employee;
- Misconduct – failure by AEG’s personnel to observe AEG’s policies, rules and Code of Personal & Professional Standards including those resulting in embezzlement of funds and conducting of parallel travel activities;
- Collusive practices – an arrangement between two or more persons / employees designed to achieve mala fide objectives, including improperly influencing the actions of another person / employee; and
- Any other activity which undermines AEG’s operations, reputation and mission.

This Policy is not designed to question financial or business decisions taken by AEG nor should it be used to reconsider any other matters which have already been addressed under other procedures, rules or regulations of AEG.

### **3. Protection of Whistleblowers**

The information given and the identity of the Whistle Blower will be treated in a confidential manner as per sub-section 1.7 of the policy.

AEG stands committed to protect Whistle Blowers for Whistle Blowing, harassment or victimization of the Whistle Blower will not be tolerated.

If the Whistle Blower feels that, at his / her place of posting, he / she might be subjected to victimization or harassment by the alleged officials after blowing the whistle, the management may consider transferring him / her to another suitable place on his / her request. However, this assurance is not extended in cases where it is proved that the Whistle Blower raised the matters to settle his / her personal grudges or grievances or enmity or where the Whistle Blower has been habitually involved in complaining petty issues.

Protection that AEG can extend to Whistle Blower is limited to AEG's capability, but any retaliatory action against any Whistle Blower as a result of whistle blown by such person under this Policy shall be treated as Misconduct and subject to disciplinary action.

Indemnity from disciplinary action will be provided to the Whistle Blower employee, against actions/involvement in the activity against which whistle is blown, based on the merits of the subject case.

### **4. Responsibilities**

#### **4.1 AEG's Responsibilities**

The BAC circulate Corporate Whistle Blowing Policy once a year for the information of all the employees of AEG.

The communication channels for whistle blowing complaints are as follows:

A dedicated e-mail address for Whistle Blowing (**whistle.blower@aeg.com.pk**) which will be accessible by the Member BAC.

AEG will ensure that the Corporate Whistle Blowing Policy is fairly and consistently applied. It should spell out zero tolerance for all violations e.g., fraudulent, immoral, unethical or malicious activities.

It will be ensured that Whistle Blower feels secure while reporting fraudulent, immoral, unethical or malicious activities.

## **4.2 Responsibility of Whistleblower**

In the event that any fraud, forgery, fraudulent, immoral, unethical or malicious activities have occurred due to involvement of AEG's officials, the employees who have knowledge are ethically and morally bound to Whistle Blowing or take appropriate action if they are authorized to.

It is expected that the Whistle Blower shall remain unbiased while reporting matters under this Policy. In making a disclosure, the Whistle Blower should exercise due care to ensure the accuracy of the information. Whistle Blower should not make repeated, malicious, wrong, not based on facts, based on personal grudges, grievances or personal enmity or vexatious allegations. In such a case, appropriate action may be taken against the Whistle Blower.

The Whistle Blowers are encouraged to share their identity enabling AEG to provide protection as per Section 3 of this Policy and share the results of investigation, if required.

## **5. Incentives for Whistleblowing**

To motivate AEG's staff to behave honestly, in loyalty with AEG, independently without any fear, for saving AEG from risks of financial or reputational losses caused by fraudulent, immoral, unethical or malicious activities or misconduct of some dishonest and corrupt persons, the management may offer incentives. In order to be eligible for all such incentives the Whistle Blower(s) must share their contact information. In case of anonymous Whistle Blowing, no such reward shall be given to anyone in any situation or circumstances, even if allegations imposed are proved to be correct.

On the recommendation of the BAC to the management, the Whistle Blower, who brings to the notice of the management or report any fraudulent, immoral, unethical or malicious activities, which may lead to financial or reputational losses or legal threats to AEG, will be suitably awarded according to the significance of the information he / she had provided and impact of losses averted as a result. The award may include cash prizes and or increase in salary and or promotion.

The prizes / awards will be given to the concerned Whistle Blower confidentially and in a manner that no one can grasp the actual reason thereof.

## **6. Misuse of Whistle Blowing**

It is expected from all employees to refrain from rumor mongering, irresponsible behavior and false allegations and if staff makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. If, however, staff makes malicious or frivolous allegations /complaint(s) or misuse Whistle Blowing policy for undue posting/transfer of himself/herself on disclosure to team member/ senior about whistle blown or the shelter available under Whistle Blowing policy, action may be taken against them after proper investigation.

## **7. Implementation of Corporate Whistle Blowing Policy**

### **7.1 Reporting**

Strict confidentiality will be observed in submission of the investigation reports. The report along with the result of investigation carried out by the team formed shall be submitted to the Chairman BAC. After approval of Chairman BAC, report should be referred to the relevant forum, if any action is required.

### **7.3 Retention of whistle blowing complaints**

All whistle blowing complaints received at the dedicated email address shall be retained for 3 years after which the complaints shall be archived.

### **7.4 Disciplinary Action**

If involvement of AEG's officials in fraudulent, immoral, unethical or malicious activities and other malpractices is proved during investigation of the case then disciplinary action will be initiated as per applicable rules and procedures of AEG.

For external parties, AEG may on the basis of investigation report and recommendations, consider taking appropriate legal action against the concerned party.

If the matter is of grave nature, AEG may decide to take legal action against the culprit(s).