



UACN WHISTLEBLOWING POLICY

Document approval

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1. Policy Statement

- 1.1. The Board and Management of UAC of Nigeria Plc and its subsidiary Companies (“UACN” or “UAC Group”) are committed to ensuring openness and clear communication in all dealings of UACN or UAC Group with its officers, employees, contractors, vendors, service providers, job applicants, suppliers, shareholders and other stakeholders with whom it engages for business. This is in line with UACN core values. UACN recognizes that effective and honest communication is essential to maintaining its core values and ensuring that negative business practices are detected and dealt with promptly with a view to preserving the reputation and integrity of the Group.
- 1.2. Based on the foregoing and UACN’s understanding of the importance of proactively preventing fraud, as well as implementing effective controls to detect fraudulent activities and misconduct, the management and Board of Directors have reviewed and approved this whistleblowing Policy. This Policy is in line with section 3.2 of SEC Code of Corporate Governance, 2011 which in essence provides that companies should have a whistleblowing Policy that is known to all stakeholders.

2. Application

This Policy applies to all employees, job applicants, vendors, service providers, customers, contractors, shareholders, other stakeholders and the general public of UACN. The Policy is effective from the date it is approved by the Board.

3. Objectives and Purpose

- (a) To build a work environment in which concerns relating to malpractice, irregularities, unethical conduct, illegal behavior, or misconduct can be reported by employees, job applicants, contractors, staff of vendors, service providers, customers and other stakeholders, without the fear of victimization, and with the assurance that such concerns will be addressed seriously, and investigated as appropriate with utmost confidentiality.
- (b) To reassure whistleblowers that genuine concerns can be reported without fear of retribution even if the concerns expressed turn out to be invalid.
- (c) To guide the whistleblowers on how to report suspected fraudulent activities, unethical or illegal behavior or conduct.

4. Definitions

4.1. Fraud and Misconduct

- 4.1.1. Fraud can be defined as an intentional act carried out by an individual or a group of people in order to directly or indirectly gain an unlawful or unfair advantage. Fraud is usually deceptive, attempted to be concealed by the perpetrator, and detrimental to the victim.
- 4.1.2. Occupational fraud involves the intentional use of one's position in an organization to directly or indirectly gain an unlawful advantage.

Occupational fraud is classified into three by the Association of Certified Fraud Examiners (ACFE), namely:

- β Fraudulent Financial Statements
- β Asset Misappropriation
- β Corruption

Fraudulent Financial Statements

This is the deliberate misrepresentation of the financial position of an organisation as a whole, or any part of its operations with the intention of misleading the financial statements users. Such misrepresentations could be made either by omission or misstatement of financial information, or failure to disclose material non-financial information.

It typically involves the understatement of liabilities and expenses, overstatement of revenue, and improper valuation of assets, among others.

Asset Misappropriation

Asset misappropriation is the use of the assets of an organization for personal benefit. It includes the theft of cash either before (skimming) or after (larceny) entry into the accounting system, theft and misuse of non-cash items, false invoicing via vendors or shell companies, and unauthorized disclosure of confidential information, among others.

- ℞ economic extortion
- ℞ receipt of illegal gratuities
- ℞ relationships with third parties which may result in conflict of interests
- ℞ bribery - receipt of benefits in order to provide an advantage to another party with the use of one's position in an organization.

4.1.3. Misconduct refers to any improper or unacceptable behavior in violation of UACN's policies and procedures.

4.1.4. Appendix A of this Policy itemizes actions which are referred to as fraud and misconduct. However, this list is not exhaustive.

4.2. Whistleblowing

4.2.1. Whistleblowing involves an individual making a disclosure, in the interest of UACN and/or its stakeholders, regarding suspected fraud, misconduct, or dangers which have occurred or may be occurring at or during the course of work for UACN.

4.2.2. A **whistleblower** is any individual who reports a genuine concern, such as those set out in appendix A, and has a rational reason to believe that the disclosure is factual. Employees and stakeholders are encouraged by this Policy to report genuine concerns relating to suspected fraud, misconduct or danger affecting any of UACN's activities under this Policy.

5. Reporting and Investigation Procedures

5.1. Reporting a Whistleblowing Concern

5.1.1. Incidents of suspected fraud and misconduct should be reported as soon as such incidents are identified as this makes it easier for management to respond effectively. Delays in reporting concerns may result in damages to reputation and/or significant losses to UACN.

Employees and stakeholders are therefore encouraged to report situations indicating fraud, misconduct, or danger anonymously through the internal reporting channels (i.e. Line Manager, Head of Department, Head of Human Resources, Managing Director) and/or the KPMG Ethics Line.

- 5.1.3. In the event that the individual to be reported is an Executive Director (excluding the Group Managing Director) reports should be made to the Chairman of the Board of Directors and the Group MD/CEO. In the event that the individual to be reported is the Group MD/CEO, reports should be made to the Chairman of the Board of Directors and at least, one Non-Executive Director.
- 5.1.4. Alternatively, you can report any concerns through the KPMG Ethics Line. You can contact KPMG Ethics Line on 0703 000 0026, 0703 000 0027, 0808 822 8888, 0708 060 1222, 0809 993 6366 or kpmgethicsline@ng.kpmg.com.

5.2. Confidentiality

- 5.2.1. It is the intention of UACN that the all potential whistleblowers are not hindered in any way in reporting suspected and/or identified incidents. Therefore, as much as reasonably possible, effort will be made to treat the whistleblower's identity with utmost regard for confidentiality.
- 5.2.2. A reference number which serves as a unique identifier is given to all complaints made by whistleblowers through the KPMG Ethics Line. This reference number will need to be quoted to make a follow up call or when feedback on a complaint is being sought. KPMG will send an incident report of the complaint to the appropriate management level personnel of UACN or the Chairman of the Board of Directors (as applicable) within 24 hours or as soon as possible.
- 5.2.3. All concerns/complaints reported via the KPMG Ethics Line (phone calls, emails, physical letters) will be sent confidentially and anonymously to appropriate recipients within UACN or the Chairman of the Board of Directors. These recipients will be independent of the allegation and will have powers in their personal capacity to ensure the concerns are addressed. KPMG Ethics Line will always send concerns/complaints reported to at least two (2) recipients. Please note that the identity of the whistleblower will not be disclosed to UACN unless KPMG obtains the whistleblower's consent.

5.3. Investigation of reported concerns

- 5.3.1. When a concern has been reported (internally or through KPMG Ethics Line), the Head of Human Resources and the Executive Director Corporate Services or the recipients of the incident report will be responsible for determining an appropriate investigation plan

further investigation or not and the whistleblower may be required to provide further information. In the event of an anonymous report, the person who made the allegation may be informed through the existing emails or telephone services.

- 5.3.3. When reports are made internally, UACN will make a direct request to the whistleblower for additional information.
- 5.3.4. Certain investigations may be outsourced if there is a potential conflict of interest in conducting the investigations internally or it is more appropriate to outsource because of the level of person(s) involved in the allegations/whistle blown.
- 5.3.5. Where an allegation against an employee or an Executive Director is found to be valid, such an individual will be subject to disciplinary action which may include termination of service, dismissal from service, and criminal prosecution in line with the Company's disciplinary procedure and policies and the Sanctions Grid.
- 5.3.6. When there is a need to obtain additional information from a whistleblower who reports a concern through the KPMG Ethics Line, UACN will contact the KPMG Ethics Line who will subsequently request for the required information from the whistle blower. When the required information is received by KPMG, it will be communicated to UACN.
- 5.3.7. The Head of Human Resources and the Executive Director Corporate Services (ED,CS) have the responsibility for reviewing all reported cases and initiating appropriate action (except reports against her/him which should be sent to the Group MD/CEO or Chairman of the Board of Directors in the case of the ED,CS), if necessary at the level of the Board of Directors to redress the situation.

6. Protection of Whistleblowers

- 6.1. UACN will ensure that employees who report concerns are given the level of support required. Therefore, regardless of reservations which potential whistleblowers have due to the fear of reprisal, UACN still encourages the openness of its employees in reporting genuine concerns under this Policy.
- 6.2. Employees should be aware that action taken as a result of whistleblowing through internal channels may in some instances lead to disclosure of identity, especially if the matter becomes the subject matter of administrative or judicial investigation proceedings.

made to the Chairman of the Board of Directors through the Company Secretary/Legal Adviser (gsamuel@uacnplc.com) or KPMG Ethics Line.

6.4. Employees are advised not to exhibit any form of retaliation or negative treatment towards a whistleblower. In the event that a whistleblower feels victimized due to reporting a concern, UACN will, subsequent to appropriate investigation(s), be obligated to address the concerns of the whistle blower, and take disciplinary action (up to and including termination of employment) against anyone found to be involved in such conduct.

7. Responsibility for this Policy

7.1. The overall responsibility for this Policy lies with the Company's Board of Directors. Therefore, the board is responsible for ensuring that this Policy is effectively enforced.

7.2. It is the responsibility of the Head of Human Resources and the Executive Director Corporate Services using the Head, Risk & Compliance Unit or Internal Audit Service Provider to investigate the concerns reported under this Policy and recommend appropriate actions in line with the Company's disciplinary procedure and policies and Sanctions Grid.

7.3. All new hires of UACN are expected to be made aware of this Policy by the Human Resource Department as a part of their induction programme.

7.4. This Policy requires that all Heads of Departments communicate its existence to the staff of their departments/Units.

7.5. It is also the responsibility of the Human Resource Department to hold periodic awareness sessions as a means to keep employees and stakeholders of UACN abreast of the whistle blowing platform.

7.6. The Company Secretary/Legal Adviser should on a quarterly basis send a whistleblowing report to the Board Risk Management Committee for review. The report will contain the following:

β Summary of reported cases;

β Cases investigated;

β The effectiveness of the investigation;

established to achieve. All such amendments will subsequently be approved by the Board of Directors before they become effective.

Appendix A

- ℞ Any activities that may constitute bribery or corruption in breach of any relevant laws or the Anti-Corruption and Bribery Policy
- ℞ Forgery (false declaration of age, presentation of counterfeit documents etc.)
- ℞ Sexual harassment, bullying or physical abuse
- ℞ Theft or misuse of Company's assets and property
- ℞ Any type of fraud or mismanagement
- ℞ Fictitious reporting of events (including non-financial events)
- ℞ Breach of internal policies and procedures
- ℞ Failure to comply with any legal, professional obligation or regulatory requirements
- ℞ Conduct that is likely to damage the Company's reputation
- ℞ Damage to Company's physical environment
- ℞ Abuse of office on the part of any member of staff or director
- ℞ Deliberate concealment of information relating to fraudulent activities and misconduct
- ℞ Miscarriage of justice
- ℞ Misuse of the Company's information systems and computer databases
- ℞ Overriding the Company's process controls
- ℞ Undisclosed conflicts of interest
- ℞ Unauthorised disclosure of confidential information
- ℞ Deliberate concealment of any malpractice
- ℞ Breach of UACN Code of Business Conduct
- ℞ Non-compliance with the law(s) of the Federal Republic of Nigeria or any breach of statutory obligations
- ℞ Cases or risk of pollution or any other hazard to the environment
- ℞ Health and safety risks including risks to employees in the workplace and the public