



## WHISTLEBLOWING POLICY

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## Glossary

Term	Definition
Mushrif or the Company	Mushrif Trading and Contracting Company
BOD or the Board	Board of Directors
BAC	Board Audit Committee
CEO	Chief Executive Officer
HRD	Human Resources Department
CF	Compliance Function
IT	Information Technology
The Policy	Whistleblowing Policy

## **1. Introduction**

Mushrif Trading and Contracting Company (hereinafter referred to as "Mushrif" or "the Company") is committed to the highest standards of good governance, transparency, honesty, integrity and accountability. The Company has developed its whistleblowing policy to set out the guiding principles and procedures for reporting any misconduct to the designated authorities within the Company so that appropriate corrective action is taken. This policy reflects the Company's commitment to professional and ethical standards of conduct by helping to create an environment which enables employees as well as members of the Executive Management and the Board of Directors to express any concerns or improper practices while ensuring the protection of the whistleblower.

This policy has been prepared in line with the Corporate Governance related regulations issued by Capital Markets Authority (CMA) and other related regulatory requirements. The policy is considered part of the Company's Corporate Governance Framework.

### **1.1 Objective**

This Policy is intended to encourage and enable employees to raise serious concerns within the Company by offering a reporting and investigation mechanism that is objective, confidential and independent, prior to seeking resolution outside the Company should the need arise.

This Policy is a supplement to the guidelines of the Company's Code of Conduct.

### **1.2 Scope**

This Policy applies to all employees at all levels as well as BOD members and Executive Management. This includes the responsibility to report concerns through the reporting channels and the protection against retaliation for reports made in good faith.

Wherever the provisions of this Policy contradict with any newly issued statutory or regulatory requirements, the statutory and regulatory requirements will take precedence over the provisions of this Policy until the policy is properly updated and approved.

### **1.3 Custodian**

The Board Secretary shall have the custody over the master copy of this policy. The contents of this Policy, other than areas to be disclosed on the Company's

website, are confidential and are intended for internal use of the Company only.

This Policy document should always be kept in a read-only status and must not be copied or revealed to third parties without the expressly written permission of the Board.

Requests for circulation of soft copies of this Policy are to be made only to designated personnel.

#### **1.4 Responsibility for Implementing the Policy**

The Board Secretary shall be responsible for monitoring the implementation of this policy.

All employees shall take necessary actions to report any violations or misconduct when noticed and as soon as possible. Any queries regarding the content of this policy or its implementation can be directed to the Board Secretary for guidance.

#### **1.5 Policy Revisions**

The Board Secretary is Responsible for reviewing the policy on an annual basis and when needed, taking into account the extent of compliance with laws and regulations issued by CMA and others regulatory authorities. Proposals for amendment on the policy shall be approved by the Board of Directors. Once the changes are incorporated in the Policy, the relevant page (or pages) will be updated by version and date.

The table below tracks the manual revision and changes made. In the "Page Number" section, links will direct the user to the mentioned page to promptly trace such changes.



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Sr.	Version Number	Version Date	Section	Page Number	Approval
1					
2					
3					
4					
5					

Acknowledged and approved by Board of Directors on (date):

## 2. Definitions

### ❖ **Whistleblower**

For the purposes of this Policy, the term whistleblower refers to someone who discloses reportable conduct to people or authorities that have the power or perceived willingness to take corrective action

### ❖ **Protected Disclosure**

A Protected Disclosure is any disclosure relating to reportable conduct of serious wrongdoing in their workplace by providing protection for employees who want to 'blow-the-whistle'. In order for a disclosure to qualify as a Protected Disclosure it must be made in good faith and relate to reportable conduct.

### ❖ **Reportable Conduct**

Reportable Conduct is conduct that is illegal, unacceptable or undesirable, or concealment of such conduct. This includes:

#### **Fraudulent or Corrupt Behavior**

- Dishonest activity that causes actual or potential financial loss or an unjust advantage to the Company or any person or organization including activity involving clients or third parties where systems and processes are involved. It includes theft or money, data or other property, whether or not deception is involved
- Deliberate falsification, concealment, destruction or use of falsified documentation, or intended for use, for a normal business purpose or the improper use of information or position.
- Knowingly providing or publishing financial records or financial statements that are false or misleading in any material way.

#### **Corrupt Behavior means:**

- An employee dishonestly acting, or dishonestly failing to act, in the performance of functions of their employment, or dishonestly taking advantage of their employment to obtain benefit for himself or herself, the Company or for another person or organization, or to cause loss to another party/ person.
- Accepting or providing secret commissions or bribes.

#### **Adverse Behavior means:**

- Unethical behavior or misconduct, including breaches of the Company's Policies and Code of Conduct.
- Other serious improper conduct that may be detrimental to the interests of the Company or cause either financial or non-financial loss (including harassment and unsafe work-practices).
- Other behavior, which is contrary to the Company's values and/ or compliance standards.

#### **Legal or Regulatory Non-compliance**

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This represents intentional non-compliance with laws and regulations issued by concerned regulatory authorities including illegal behavior (i.e. theft, violence, threatening, or property damaging behaviors), as well as violations to security and safety measures or environmental harm conducted for the purpose of achieving a personal gain or harming the interest of the Company causing the Company to bear financial or non-financial loss.

This type of behavior shall not be dealt with as a whistleblowing case in case the whistleblower does not fear the sequences of reporting the misconduct. Alternatively, these cases shall be handled as normal non-compliance issues and will be dealt with as part of the Company's policies and guidelines related to dealing with regular non-compliance incidents.

### ❖ Reprisals

Reprisals are adverse actions taken by the Company against a person because of a disclosure made in accordance with this policy. Reprisals include but are not limited to:

- Dismissal or demotion.
- Any form of victimization, intimidation or harassment.
- Discrimination.
- Current or future bias.
- Action causing injury, loss or damage.
- Threats (expressed or implied, conditional or unconditional) to cause detriment, as well as actually causing detriment.

### 3. Difference Between Complaints and Whistleblowing

The Company's encourages employees to report concerns at all times. However, not all concerns are considered as a case of whistleblowing. To enhance the effectiveness of the whistleblowing process, the Company differentiates between whistleblowing and complaints as follows:

- A **whistleblowing** should fulfill the following conditions:
  - Concerns raised by the whistleblower comprise a threat or violation concerning others (i.e. the Company, clients, etc.).
  - Raising the concern does not achieve a personal gain to the whistleblower.
  - The whistleblower has a concern of reprisal due to raising the concern.

In such cases, the whistleblower only raises the concern to concerned parties whom will be responsible for conducted the proper investigation in concern raised.

- A **Complain** is defined as a concern raised by the employee to report an incident conducted by a certain employee due to misbehavior or misconduct of the reported employee. The purpose of the complaint in such case is to correct the misbehavior or misconduct occurred and in such case the employee raising the concern does not fear reprisal due to raising the concern.



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In such cases, the employee shall raise a complaint to concerned parties in accordance to the Company's complaints handling process.

### **4. Guidelines**

A genuine concern should be reported if there are reasonable grounds for believing that:

- A criminal offence has been committed, is being committed, or is likely to be committed.
- A person has failed, is failing, or is likely to fail to comply with related legal obligations (for instance by making misleading or deceitful statements to the authorities, self-dealing, not disclosing related third-party transactions, accepting bribes or kickbacks, aiding or not reporting incidences of money-laundering.
- The health and safety of any individual has been, is being, or is likely to be endangered.
- Any of the above are being, or are likely to be, deliberately concealed.

In general, this Policy covers actions or concerns which could damage the Company's reputation and result in conflicts of interest.

### **5. Protection under this Policy**

The Whistleblower is protected against unfair termination and unfair prejudicial employment practices. No Adverse Personnel Action shall be taken or recommended against any Whistleblower in retaliation against his disclosure in good faith of the alleged unethical and improper practices.

However, this Policy does not protect a whistleblower or an employee from action occurs independent of his/her disclosure of unethical and improper practices and those related to poor job performance or any other disciplinary action unrelated to reported concern made pursuant to this Policy.

The Company will not tolerate any harassment or victimization and will take appropriate action to protect those who raise a concern in good faith.

### **6. False allegation and Legitimate Employment Action**

An employee who acts as a whistleblower must be acting in good faith and have reasonable grounds for believing the information disclosed represents a concern or reportable conduct. Unsubstantiated allegations, which prove to have been made maliciously, or knowingly to be false, will be viewed seriously with disciplinary actions applied as appropriate (including termination of employment, if warranted) in accordance with the applicable Labor Law provisions and the Company's related policies.

### **7. Anonymous Allegations**

This Policy encourages all concerned to reveal their identity whenever possible. If individuals choose to report their concerns anonymously, such anonymity will be

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respected. It should be noted that concerns expressed anonymously are less powerful and may affect the effectiveness of the investigation process. In exercising this discretion, the following factors shall be taken into account:

- Seriousness and credibility of the concern or reportable conduct.
- Likelihood of confirming allegation from reliable sources.

It should be noted that if the report demonstrates criminal activity and the case is to be pursued by official legal authorities, the identity of the person reporting the details may be important, especially if at a later date criminal proceedings are to be pursued effectively.

### 8. Selection Process of Investigation Committee

The Company is committed to a complete, fair, confidential, and efficient investigation of reported concerns. Therefore, the Company's Board Secretary following the guidance of the Chairman will perform an initial assessment to determine whether there are grounds for a detailed investigation to take place or whether the disclosure is based on invalid information.

The Board Secretary will report the results of the assessment to the Chairman who will in turn assign the responsibility to form the investigation committee either to the BOD or the CEO based on the nature of the allegation received.

The length and scope of the investigation will depend on the subject matter of the disclosure. In events where a report is to be produced, copies will be provided to the BOD, CEO and the whistleblower upon completion of the investigation process.

The concerned party will assign an investigation committee including personnel with experience of reported concern or those with specialist knowledge of matter being investigated. For example, if the disclosure concerns financial malpractice, the Head of Internal Audit or the Head of Finance/ CFO may be asked to be part of the investigation committee.

The investigation committee shall provide recommendations regarding the importance to make adjustments that could mitigate the risk of incidents reoccurrence, the BOD shall then be responsible for approving and following-up on the implementation of such recommendations.

### 9. Whistleblowing Governance

This policy is monitored and reviewed annually and information/ statistics about reported concerns are reported on a quarterly basis to the Chairman.

#### **Responsibilities**

##### ***Chairman of the Board***

- Receives summary report of issues and concerns on a periodic basis from the Board Secretary.

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- Approves recommendations for corrective actions or disciplinary actions (if any) as endorsed by the BOD and Investigation Committee in case the committee is formed by the BOD or the Chairman.

### **Board of Directors**

- Approving the whistleblowing Policy.
- Reviewing the summary report of whistleblowing concerns raised semiannually.

### **Chief Executive Officer**

- Form and approves recommendations for corrective actions or disciplinary actions (if any) as endorsed by the Investigation Committee in case the committee is formed by the CEO.

### **Board Secretary**

The Board Secretary is responsible for the overall management of the concern handling process. This includes:

- Assisting the Chairman to acknowledge receipt of reported concerns or reportable conduct to the whistleblower.
- Receiving reports and concerns through the whistleblowing application in the Company's Intranet.
- Managing the Register including Consolidating, filing and retaining all records of concerns received, together with the status / results of investigations.
- Referring concerns raised to other departments such as Legal Function or Human Resources & Admin. Function for handling reported concerns.
- Submitting whistleblowing reports on a periodic basis to the Chairman.
- Coordinating with Investigation Committee in conducting or assigning investigations of concerns.
- Reporting the results of investigations to the Chairman and CEO with responsibility for the area concerned in order to advise of the disposition and/or to ensure appropriate resolution of the concern.
- The Board Secretary shall assign the recommended decision made by the Board or CEO to the concerned party for implementation.
- Maintaining a confidential log to assess effectiveness of policy and any emerging trends.

### **Executive Management**

- Communicating and reinforcing the whistleblowing Policy.
- Directing concerns raised to the appropriate department to the Board Secretary for further processing.



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- Embedding the culture of whistleblowing throughout the Company and particularly within management as well as raising awareness on the importance of whistleblowing.

### ***Investigation Committee***

- Responsible for conducting investigation pertaining to the reported issues and concerns of the employees to determine whether the allegations are true.
- Determining and recommending appropriate corrective or disciplinary action in case the allegations are proven true to BOD or the CEO (in case the Committee was formed by the CEO). Such corrective actions shall abide by laws and regulations in addition to the Company's ethics and internal policies and procedures.

### ***Internal Audit***

- Internal Audit is responsible for review and assessment of the effectiveness of the implantation of this policy on a periodic basis.
- Any deviation or significant findings in this regard will be highlighted in the audit report and submitted to BAC. Accordingly, BAC will refer such findings to the BOD to take appropriate course of action.

### ***Legal***

- Evaluating and providing quality legal advice at the highest level on all matters associated with the reported malpractice or adverse behavior.
- Referring reported concerns received by the Board Secretary for appropriate course of action.
- Ensuring maximum understanding of, and compliance with, any regulatory requirements at all levels within the business.

### ***Compliance Function***

- Consulting in the development and maintenance of the Policy.
- Providing interpretation of the guidelines and the associated policies.
- Referring reported concerns received by the Board Secretary for appropriate course of action.

### ***Human Resources***

- Consulting in the development and maintenance of the Policy.
- Referring reported concerns received by the Board Secretary for appropriate course of action.
- Communicating the guidelines for Business Conduct.

### ***Business Functions (Line Managers)***

- Ensure that staff are aware of the whistleblowing Policy.



- Encourage a positive open working culture for staff and others working at the Company to express their concerns.
- Take reported concerns seriously.
- Guide staff to the most appropriate reporting channels.
- Referring reported concerns received by the Board Secretary for appropriate course of action.

***Staff and others working at the Company***

- Be aware of the whistleblowing Policy.
- When making any report, employees must inform the Company if they have a direct personal interest in the matter.
- Blow the whistle – as soon as possible – on any malpractices or misconduct to be investigated accordingly.

**10. Reporting Channels**

Concerned employees shall have a number of communication channels to be used for Whistleblowing as the employee may elect any of the methods mentioned below to report the allegation. The reporting should be done as soon as the whistleblower is aware of the matter to be reported, in order to facilitate taking prompt action.

When raising concerns, employees must ensure that they comply with the guidelines set in this policy. At any stage, the employee can be accompanied by:

- A fellow employee who may be a friend or colleague.
- An HR Representative.

Employees can raise any concerns to one of the below channels:

**1. Option 1: Line Supervisor or Manager**

Employees can raise concerns with their line management who would notify the designated party. This can be done either face to face or in writing.

The matter will then be referred to the Board Secretary, which will in turn refer the concern to the CEO or the BOD to assign an investigation committee depending on the nature of the matter and based on the Chairman's directions.

**2. Option 2: Concerned Parties**

Where it is not appropriate to go via normal management reporting channels, because the matter is sensitive and serious (for example, if the whistleblower believes his/her line manager is involved), he/she should contact the Head of HR, Head of Legal or the Compliance Function. The concerned party shall in turn refer the concern to the Board Secretary to take appropriate action.

**3. Option 3: Executive Management**

If the whistleblower has a concern in regards to lack of response, responses received, he/she should report the concern directly to the Executive Management. Executive

management shall in turn refer the concern to the Board Secretary to take appropriate action.

**4. Option 3: the Chairman or Board Secretary**

In case the concern requires reporting to a non-executive level or in cases where the matter could seriously compromise the Company's reputation, the employee can raise and report the matter confidentially to the Chairman or the BOD through the Board Secretary.

**5. Option 4: whistleblowing Online Reporting System (the Company's Intranet)**

The Company shall establish a reporting mechanism for confidential and anonymous submission of concerns, malpractice and reportable conduct covered in this Policy through the Company's Intranet or a designated link which is accessible to all employees and concerned parties.

Any personnel wishing to report their concerns shall access the Company's intranet or designated link and fill in the form with the required details i.e. name, designation, department/division, details of concern. The whistleblower in that case has the option to submit the form anonymously.

Concerns raised through the Company's intranet are submitted to the Board Secretary (who will be the primary recipient of the concern) on behalf of the Chairman to ensure independent review, investigation and disposition.

The IT Function is responsible for ensuring the security and integrity of the system/link and that only authorized personnel such as the Chairman and Board Secretary will be given access to such system/link.

*Note: the Company shall investigate all credible concerns, allegations and malpractice/misconduct. However, employees should be aware that reporting anonymously can limit the ability of the Company to thoroughly investigate a report if insufficient information is provided.*

**11. Handling whistleblowing reports**

All cases will be dealt with in a timely manner and with due regard to the rights of all individuals involved. There may be matters that cannot be dealt with internally and in respect of which external authorities will need to be notified and become involved either during or after the completion of internal investigation.

All reporting channels should submit the received the report to the Board Secretary to take necessary procedures.

When the Board Secretary receives a Whistleblowing report (whether received in person or through another reporting channel), he or she will, under the supervision of the Chairmen, perform an initial assessment to determine whether there are grounds for a detailed investigation to take place or whether the disclosure is based on invalid information.

The Board Secretary shall then report the results of the assessment to the Chairman who will, in turn, assign the responsibility to form the investigation committee either to the BOD or the CEO based on the nature of allegation received.



Within five working days upon receiving the Whistleblowing Report, the Board Secretary under the instructions of the Chairman or the CEO shall communicate to the whistleblower to acknowledge that the concern has been received. Upon conclusion of the investigation into the allegation, the Board Secretary under instruction from the Chairman or the CEO will advise the whistleblower of the outcome of the investigation. The Board Secretary shall also maintain all records pertaining to the whistleblower's reports and subsequent action taken for a period of five years at a minimum.

The Board Secretary based on the direction of the Chairman or the CEO may inform and involve other staff on a "**need to know**" basis to the extent necessary to successfully investigate the allegation. The suspected perpetrator must not be contacted prior to the initiation of the investigation process in an effort to determine facts or demand restitution. No attempt should be made by the whistleblower to personally conduct investigations, interviews or questioning. The Chairman will be informed of the outcome of investigations through periodic reporting.

The Board Secretary should advise the BOD at every Board meeting, with regards to the number of whistleblowing Reports received since the previous Board meeting and the outcome of related investigations.

## 12. Investigation Process

Investigation processes shall vary depending on the precise nature of the conduct being investigated. All investigations must be conducted in a manner that is fair, objective manner achieving justice to all personnel involved. A matter will not be investigated by a party involved in the reported concern. The Company's Investigation Committee is responsible for handling such investigations. It will be the responsibility of the party forming the committee to ensure that the investigation team is suitably trained and has the necessary assistance and authority to conduct their work, while maintaining strict confidentiality. Auditors, counsel or other experts may be engaged to assist in the investigation and analysis of results.

If a detailed investigation is considered necessary, the Investigation Committee might recommend to the BOD to appoint an investigator or convene an investigation panel including personnel with experience or specialists in the area of concern reported.

The Company will also inform the whistleblower if a referral to an external authority is about to or has taken place, although the Company may need to make such a referral without the whistleblower's knowledge or consent if the Company considers it appropriate.

The investigation process that is managed internally shall be as follows:

1. Full details of the allegations will be obtained and investigation of the report will include locating evidence which may necessitate a request for more information from the person who made the report.
2. Involvement of external parties such as the external investigators, auditors will be considered. In addition a reassessment will be made to determine the need to involve the relevant authorities and, in some cases, official legal authorities.
3. The person against whom the allegation is made will be informed of action taken during or upon completion of the investigation process.

4. The party managing the investigation process shall provide recommendations for changes that will help in reducing or mitigating the risk of malpractice recurrence, consultation may be sought in such cases from the Risk or Internal Audit. After that, a report containing recommendations shall be produced and submitted to the party who was initially responsible for forming the investigation committee.
5. Based on the results of the investigation, the CEO or Chairman with consultation with the BAC (if deemed necessary) will decide on what action is to be taken, depending on the nature of each case and taking into consideration the following:
  - The Company is committed to consider the change of processes and taking corrective action in relation to the misconduct or reported action. Illegal conduct may involve reporting the matter to relevant legal authorities.
  - Disciplinary action shall be taken against anyone who deliberately makes a false or dishonest report. No action will be taken against an employee where the report was made in good faith but no wrongdoing was identified.

### **13. Notification**

The status and outcome of the investigation will be communicated to BOD, Chairman or the CEO depending on the party forming the investigation committee.

Throughout the investigation process and once the investigation process has been completed; the Board Secretary and based on the direction of the Chairman or CEO will provide an update on the investigation outcome to the Whistleblower.

### **14. Maintaining Confidentiality**

In raising a concern about wrongdoing, the employee may assume that only those staff involved in the investigation knows their identity. The Company shall not reveal the identity of the employee (whistleblower) except:

- Where the Company is under a legal obligation to do so.
- Information is already in the public domain.
- On a strictly confidential basis to a professionally qualified lawyer or accountant for the purposes of obtaining advice.
- To official legal authorities.

If there are any other circumstances in which the Company is required to reveal the whistleblower's identity outside those identified above, a discussion between the Company and the whistleblower will be conducted.

The investigation committee shall keep the identity of the employee that the allegation is raised against confidential until the results of the investigation are approved by the Chairman or CEO.

Employees are reminded of their obligation to treat as confidential any information obtained during the course of their work, whether it concerns the Company, its employees or its clients. The subject of the complaint shall not be disclosed to any internal or external parties other than those who are identified by this policy as part of the investigation process. In the event it is understood by the Company that the whistleblower has failed to comply with the requirements of confidentiality as stipulated



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in this section, he or she will be subject to the Company's disciplinary measures for breach of confidentiality.

All cases will be processed in a highly confidential manner. Every effort will be made by the BOD, Chairman, CEO and Investigation Committee not to reveal the identity of the whistleblower to other parties that are involved in any subsequent investigation of the matter. However, it should be understood by the whistleblower that it may be necessary to present him/her at the appropriate time as a witness before relevant authorities (if required).

### **15. Corrective Action and Compliance**

As part of the investigation into reportable conduct made under this Policy, recommendations and corrective actions – in addition to those made by the investigation committee- might be sought from the BAC (where deemed necessary) to enable the Company to minimize the risk of the recurrence of any malpractice or impropriety, which has been uncovered.

### **16. Related Policies and References**

This Policy is related to and should be read in conjunction with:

- Code of Conduct
- Conflict of Interest Policy
- HR Policy