

WHISTLE-BLOWING POLICY

1) Introduction

This policy is introduced in furtherance of the aim of improving corporate governance in PAL Pensions. It is also aimed at fulfilling part of the requirements of PENCOM's code of corporate governance. Whistle-blowing enables an organization to obtain early warning signals on what may be going wrong in the organization, especially in cases where it would be difficult to use formal communication channels. This is important where the issues involved are very sensitive and would require the confidentiality of the whistle blower. In other words whistle-blowing is a confidential channel open to all the stakeholders of our PFA to report any wrong doing to the management and board of PAL Pensions.

2) What should be reported?

- 2.1 Fraudulent activities
- 2.2 Illegal activities
- 2.3 Bribery and corruption
- 2.4 Gross misuse of assets including information asset
- 2.5 Conflict of interest and abuse of office on the part of any staff or director
- 2.6 Activities likely to endanger life or property
- 2.7 Insider dealings
- 2.8 Use of fake/forged certificates
- 2.9 Theft/leakage of information assets
- 2.10 Purchase of goods at inflated prices
- 2.11 Purchase of inferior goods
- 2.12 Concealment of any malpractice
- 2.13 Override of controls resulting in deficient administration
- 2.14 Abuse of authority
- 2.15 Sexual harassment
- 2.16 Failing to act in accordance to regulations, guidelines and rules issued by the Commission
- 2.17 Other unethical activities

3) Who should report?

- 3.1 The Compliance officer
- 3.2 Employees
- 3.3 Directors
- 3.4 Clients
- 3.5 Vendors and service providers
- 3.6 Any other person(s) that have dealings with PAL Pensions PFA /UBA PFC

4) Procedure for making whistle-blowing reports

4.1 Whistle-blowing reports should be made using the KPMG Ethics Line. The telephone lines and email address are given below:

- Toll free numbers for calls from MTN numbers only:
 - 0703-000-0026
 - 0703-000-0027
- Toll free numbers for calls from Airtel numbers only:
 - 0808-822-8888
 - 0708-060-1222
- Email: kpmgethicsline@ng.kpmg.com
- Breaches could also be reported through the compliance officer or directly to the Commission - PENCOM.

4.2 The following procedure should apply for all telephone reports.

- **Step One**
 - Dial the hotline from any telephone of your choice
 - You may call anonymously. Even if you decide to supply your name, your identity will remain confidential and will NOT be disclosed to PAL Pensions except with your consent
 - The call operators are not employed by PAL Pensions, thus ensuring that your confidentiality is maintained at all times.

➤ **Step Two**

- When you call, the call operator will interview you to obtain as much information as possible
- Ensure you provide all the details
 - Nature of the incident
 - People involved
 - Dates of incident
 - Place of occurrence
 - How the incident occurred
 - Any other useful information

➤ **Step Three**

- You will be given a reference number (PIN). Keep this confidential as you will need this number if you make a follow-up call
- You may call back for feedback on your report or to provide additional information
- KPMG Ethics Line will not call you back since it does not know your identity

➤ **Step Four**

- All information received is captured onto a call sheet memorandum for direct transmission to designated persons within PAL Pensions for further action.
- Calls are toll-free provided they are within the same network

4.3 Reports sent through e-mail address

- You may decide to send your report through the designated email address in paragraph 4.1.
- You should also ensure that you provide all the details required in paragraph 4.2 (Step two)

4.4 Feedback

If you desire, KPMG will give you feedback if you call back (for reports via phone) or through your email address (for reports sent via email)

5) Protection for whistle-blower

- Whistle-blowing is done through KPMG's Ethics Lines. KPMG is a reputable international firm.
- PAL Pensions does not have access to the whistle-blowing reports ensuring that the whistle-blower is fully protected.
- Calls are answered by trained personnel who understand the concerns of the whistle-blower and will ensure that all the relevant facts are obtained from the whistle-blower in a manner that will ensure full protection and confidentiality for the whistle blower.
- You are not required to disclose your identity. Even if you disclose your identity to KPMG, your identity will not be disclosed to PAL Pensions without your consent.
- The facilities are secure and not accessible to unauthorized persons
- PENCOM also makes provisions to protect whistle blowers in section 3.2.7 of its whistle blowing guideline. (Refer to PAL Pensions website or the Commission's website)

6) Obligation of the whistle-blower

In making whistle-blowing reports, the whistle-blower should ensure that:

- 6.1 The report is made in good faith
- 6.2 He or she has reasonable ground to believe that the report is true. The whistle-blower is encouraged to report even if he or she does not have all the relevant information.
- 6.3 He or she is not making the report for personal gain.
- 6.4 Reports should be made timely.
- 6.5 Although the whistle blower shall not be expected to prove the truth of an allegation, he/she shall need to demonstrate that there are sufficient grounds for the concern.

7) What happens after the report?

- 7.1 The issues will be thoroughly investigated, using all available evidence. The whistle-blower may be called upon, if the report is not anonymous, to provide in strict confidence any available evidence necessary to confirm all the issues raised in the report.
- 7.2 Regular feedback will be provided to the whistle-blower if he or she calls back for feedback. If the report is through an email address, feedback will be provided by KPMG using that same email address
- 7.3 Where the allegations are confirmed, PAL Pensions will take necessary disciplinary measures against identified offenders in line with the company's policy. Where injuries have been suffered by the whistle-blower, PAL Pensions undertakes to provide necessary remedies as may be permitted by the Company's policy.