



CENTUM INVESTMENT COMPANY PLC
WHISTLEBLOWING POLICY

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Centum Plc Whistleblowing Policy

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1 Overview

1.1. Policy Statement

Centum Investment Company Plc (Centum) is committed to ensuring exceptional business standards by observing integrity, diligence and responsibility in accordance to the Group Code of Ethics and Business Standards. The Group Whistleblowing Policy plays an important part in ensuring that Centum promotes a culture of transparency and accountability in all business operations.

The development of the whistleblowing policy is in compliance with the Capital Markets Authority - Code of Corporate Governance for Issuers of Securities to the Public, 2015 and the Bribery Act No. 47 of 2016.

The Group Whistleblowing Policy is to be read together with the Group Anti-Bribery, Fraud and Corruption Policy.

1.2. Purpose of the policy

The objectives of this policy are to;

- Provide for a culture of zero tolerance towards fraud, corruption, bribery and any malpractice or wrongdoing
- Explain what qualifies as a whistle-blow and guidelines on how to report a concern
- Encourage stakeholders to bring out information helpful in enforcing good corporate governance practices
- Provide a platform to disclose concerns of malpractices within the organization
- Explain the evaluation process conducted in determining whether a report holds merit or not
- Mitigate against any fraud, operational or regulatory risk that could lead to potential financial loss or damage to the company's reputation.
- Reassure those who raise concerns in the public interest, and not maliciously or for personal gain, that they can do so without fear of reprisals or victimization or disciplinary action, regardless of whether these are subsequently proven

1.3. Scope of the policy

This policy sets out Centum's requirements for establishing and maintaining whistleblowing arrangements for all Centum stakeholders including but not limited to;

- Centum staff including subsidiary staff (both permanent and temporary)
- Centum's Directors
- Centum's shareholders
- Investors/partners
- Suppliers, consultants, contractors and service providers
- Any other third party in a business transaction with Centum and its subsidiaries

2 Key Definitions

Whistleblowing is the process through which an individual raises a concern or disclosure about wrong doings or serious malpractices within an organization.

A **whistleblower** is an individual who alerts, via the appropriate channels, an organization on serious malpractice or actions that endanger the firm's employees or assets. The individual could be an internal party (e.g. employee) or an external party (e.g. suppliers, customers or the general public).

Serious malpractice is defined as improper behavior being committed or likely to be committed, which includes but is not limited to the following:

- A criminal offence, including bribery, corruption, fraud, misuse of office or breach of government regulations/laws;
- Breach of any legal obligation;
- A miscarriage of justice (for example, recognizable grounds such as fresh evidence, an unreasonable verdict, or a significant misdirection by the judge);
- Endangering health and safety;
- Unethical practice in accounting, internal accounting controls, financial reporting and auditing matters;
- Conduct contrary to Centum's ethical principles and values;
- The cover up of any of the above

Serious malpractice does not usually include personal employment grievances (such as bullying, harassment, discrimination, unsatisfactory probation reports, performance evaluation, discriminatory work assignments, equal employment opportunities, sexual harassment) or general complaints. These should be dealt with through the channels provided for in the Group Human Resources (HR) policy.

However, in cases where an employee genuinely considers the issue to be endemic within the organization or their department and no action has been taken in response to a complaint directed to HR, then a whistle-blow may be appropriate.

Ethics Committee is a management committee constituted at Centum Group Level which is responsible for:

- Receiving whistleblowing disclosures
- Investigating whistleblowing disclosures
- Making a decision based on the outcome of the investigation
- Reporting on the outcome of the investigation to the Group CEO and Board
- Ensuring protection of whistleblowers

Detrimental Action is any action that may result to;

- Injury, loss, or damage
- Intimidation or harassment
- Interference with lawful employment of livelihood of any person.
- Threat to take any action referred above

If any individual to which this policy applies (as outlined in Section 1.3) has any genuine concerns related to any of the above, he/she is highly encouraged to make a disclosure under the Group Whistleblowing policy.

The policy is not designed to question financial or strategic decisions taken by Centum and its subsidiaries in the normal course of its operation.

3 Raising Whistleblowing Concerns

All Centum stakeholders must act honestly and with integrity at all times and safeguard Centum's resources, tangible and intangible assets and its reputation. Senior management must take reasonable steps to ensure that the culture and ethics of Centum reflect this and other Centum values.

A whistleblowing concern can either be made confidentially or anonymously;

- **Confidential whistleblowing**-the whistle-blower's name is known but will not be disclosed, without their consent, unless required by law.
- **Anonymous whistleblowing**-the whistle-blower does not identify themselves to anyone at any stage.

If a whistleblowing concern is made anonymously, enough information must be provided to facilitate a thorough investigation on the allegations.

The Group Whistleblowing Policy encourages that whistleblowing concerns are made promptly and at least within 3 months following the date of occurrence of the serious malpractice disclosed. However, there may be circumstances where whistleblowing concerns may be made after 3 months of the disclosed malpractice.

All whistleblowing concerns must be raised through either of the channels below;

- i. The Centum whistle blowing portal, which can be accessed through the company's website facilitates for anonymous disclosure:
<https://centum.co.ke/whistleblower/index.php>
- ii. Email address: whistleblowing@centum.co.ke. These emails will be received by a designated officer of the Ethics Committee.
- iii. Toll-free/Hotline number: **0800221010**. These calls will be directed to a designated officer of the Ethics Committee.

The Group Whistleblowing Policy highly encourages staff to use the above internal channels to raise concerns directly with any member of the Ethics Committee. If they are comfortable doing so, employees may also raise concerns with their line managers who should immediately refer the matter to the relevant members of the Ethics Committee.

The Ethics Committee has the ultimate responsibility to determine whether the disclosure falls within the scope of the whistleblowing policy, as highlighted in Section 4.2 of this policy.

4 Handling of Whistleblowing

Centum encourages and supports disclosures of suspected or alleged serious malpractice and has appropriate mechanisms in place to facilitate independent, objective and prompt investigations. This mechanism ensures that the individual making the disclosure is protected from potential detriment as a result of actions by persons internal or external to the Group, while guaranteeing, as far as is possible, anonymity when requested.

The sections that follow will highlight Centum's practices on handling whistleblowing disclosures.

4.1 Protection of Whistle-blowers

All whistleblowing concerns must be treated in the strictest confidence and Centum pledges to take all reasonable steps to protect the identity of the whistleblowers from any detriment within the company i.e. their names will not be revealed without their consent unless required by law.

The whistle-blower must satisfy themselves, to a reasonable level, of the occurrence of the wrongdoing disclosed as a concern. The whistleblowing concerns can relate to past, present or future events.

For a disclosure to be protected it must be made through the right channels to the right person, as provided for in this policy. The whistle-blower must:

- Make the disclosure in good faith (which means with honest intent and without malice);
- Reasonably believe that the information is substantially true;

An employee should not suffer detriment as a result of raising a whistleblowing concern. For instance, continued employment, opportunities for future promotion and training of an employee must not be negatively affected because he/she has made a whistle-blow within the terms detailed above.

Subjecting any member of staff to any form of detriment because of a protected disclosure, including the member of staff who is being investigated as part of the disclosure, qualifies for gross misconduct which will result to a disciplinary action as prescribed in the Group HR policy. If an employee experiences any act of harassment or victimization, he/she should report the issue to any member of the Ethics Committee.

While protection is provided under this policy, deliberate, false or malicious allegations must not be tolerated. Anyone found making deliberate, false or malicious allegations must be subjected to disciplinary action according to the Group HR policy, which could lead to dismissal. Additionally, any cost implications that may arise due to investigations done on the basis of false allegations shall be claimed as damages suffered by the Group from the employee who made the false and malicious allegations.

Giving or accepting instructions to cover up serious malpractice must not be tolerated and could lead to disciplinary action.

4.2 Allocation of Responsibility

The Ethics Committee, which will be responsible for handling the whistleblowing process, will be accountable to the Centum Board Risk Committee.

The Ethics Committee will appoint a Chairperson responsible for leading the handling of whistleblowing disclosures and issue a mandate to a member of the Committee to commence the investigations.

The Chairperson must be unconflicted and have access to all Centum's records, data and information, including storage on Centum's owned assets.

Before investigation of the disclosure commences, the concern is assessed to check whether it qualifies as a whistle-blow disclosure as described in section 2 of this policy.

4.3 Disclosure Response Plan

This section of the policy documents the whistleblowing disclosure response plan, clearly detailing the process for investigating whistleblowing concerns including reporting to the Group CEO and Board Risk Committee. The process includes timelines where possible and is further illustrated in Appendix A below.

Implementation of the disclosure response plan falls under the mandate of the Ethics Committee.

4.3.1 Making Disclosures

Suspicious or knowledge of serious malpractice should be disclosed to any member of the Ethics Committee.

If a whistle-blower chooses to remain anonymous, it is important to ensure that enough information is provided in the whistleblowing disclosure to facilitate a thorough investigation. However, it helps the investigation significantly if the whistle-blower is willing to speak to the investigators.

Under special/rare circumstances, the Ethics Committee may outsource the function of reporting of serious malpractices to an independent third-party or choose to seek independent advice externally.

All whistleblowing concerns relating to the Centum Group CEO, members of the Ethics Committee and Non-Executive Board Directors shall be dealt with, either internally or externally, via the channels highlighted above.

Employees are required to use the internal whistleblowing channels first before disclosing externally. Failure to do so is likely to result in a disciplinary offence.

4.3.2 Assessing Disclosures

The Ethics Committee must consider the information in context of what they know about the particular area or activity and the information the whistleblower provides. From that, and on

the assumption that the information is well-founded, members of the Ethics Committee should assess:

- How serious and urgent the risk is;
- Whether the disclosure can best be dealt with under the whistleblowing policy or some other procedure (such as the grievance procedure); and
- Whether the help of or referral to senior managers or a specialist function will be desirable or necessary.
- Specifically, for whistleblowing concerns made anonymously, the likelihood of verifying the allegation from independent sources.
- To the extent possible, any complaint should be factual rather than speculative or conclusory.

Where an employee formally invokes the whistleblowing policy and raises a disclosure with the Ethics Committee, it is helpful if the Ethics Committee establishes;

- If the employee is anxious about reprisals;
- When the disclosure first arose and, where relevant, what is prompting the decision to speak up now;
- Whether the information is first hand or hearsay;
- Whether confidentiality is sought;
- Whether and when the employee wants feedback; and
- If there is anything else relevant the employee should mention.

The appointed Chairperson of the Ethics Committee will notify the whistleblower and acknowledge receipt of the reported or suspected violation within 3 business days after lodging a concern.

4.3.3 Addressing Disclosures

The appointed Chairperson of the Ethics Committee will take the lead in handling of all whistleblowing concerns. Where the implications are potentially serious or far-reaching, the independence and oversight of the investigation should be upheld. Where a member of the Ethics Committee is mentioned in a disclosure, he/she is conflicted and should step aside to allow for an independent investigation. It is also important that, where confidentiality has been promised, it should be respected.

Where specific inquiries need to be made in the area where the whistleblower works, they should be forewarned so they are prepared to answer questions along with everyone else. Keeping the whistleblower updated regularly and ensuring they can contact the appointed chairperson of the Ethics Committee if they have any questions, will help manage expectations, pre-empt problems and ensure the process works efficiently.

In the process of addressing a disclosure, the Ethics Committee may decide to inform an external body (for example a regulatory, a supervisory department or the police) once a serious issue has been identified either to enlist their assistance or to reassure them and employees that the matter is being addressed properly. In some cases, the individual reported may be required to explain their action to an external body, shareholder or the media.

The Chairperson of the Ethics Committee will purpose to inform the whistleblower of the outcome following an investigation of the alleged matter within 2 months after the matter was

disclosed. If the issue is not closed after two months, the investigation may be extended for another one (1) month or more as the Committee deems fit. If the matter is not closed after the extension period, the Chairperson will inform the whistleblower in writing of the reason why the issue is yet to be closed and the time when the matter is likely to be closed.

Employees who deliberately breach the policy or tamper with the investigation process (e.g. tampering with documents/evidence) must be subjected to disciplinary actions in accordance with the Group HR Policy, potentially leading to dismissal as this is considered a serious misconduct.

4.3.4 Investigating Disclosures

Once it is determined that an investigation is required, these steps should be followed:

- 1 The appointed Chairperson of the Ethics Committee will assign a member of the committee, who will be the lead investigator, to commence with the investigations.
- 2 The appointed Chairperson of the Ethics Committee will outline an action plan depending on the people and issues involved as well as the severity of the disclosure, considering:
 - What is the allegation?
 - What is the policy regarding these types of allegations?
 - Who is the complainant?
 - What position does he or she hold?
 - Who is the accused?
 - What position does he or she hold?
 - Who should be interviewed and in what order?
 - Where should the interviews take place?
 - What possible issues may arise during the interview process?
 - Are there any supervisors or managers that need to be informed?
 - Does anyone need to be suspended to stop unlawful behavior?
 - Do computer records need to be frozen?
 - Does the IT, Security, or HR department need to be consulted?
 - What documents should be reviewed?
- 3 Properly gather and record any evidence in support of the investigation, including e-mails, reports, witness interview statements etc.
- 4 Report on your findings.
- 5 Take appropriate action in consultation with appropriate management and HR, for example disciplinary, civil or criminal action.
- 6 Follow up with the whistleblower and provide feedback on the outcome of the investigation.
- 7 Take remedial action to address control weaknesses and share lessons learned.

All Investigations will be handled confidentially and will not be disclosed to any other persons other than those who legitimately have the right to such information.

4.3.5 Possible Outcomes

Possible outcome of the investigation may include;

- Disciplinary action (up to and including dismissal) and or legal action against the wrong doer depending on the results of the investigation.
- No action if the allegation proves unfounded.

While the outcome any whistleblower is seeking cannot always be guaranteed, the Ethics Committee will try to deal with their concerns fairly and in an appropriate way. However, if the discloser is unhappy about the outcome of the investigation, they should make a further report to the Committee outlining their concerns. If there is a good reason to do so and particularly if there is new evidence, the concern will be re-investigated.

The Ethics Committee will report regularly to the Group CEO and the Board Risk Committee on issues of concern reported by the employees and the outcome of matters investigated at least twice a year.

5 Employee Training

The Ethics Committee, which will be responsible for handling whistleblowing arrangements, should be trained on the operations of the policy and how to deal with allegations that are raised. Such trainings should include:

- The drivers and values behind effective whistleblowing arrangements.
- The role of line management.
- Receiving allegations at a senior level
- Expectations of confidentiality, for example, whether it was requested, explained or promised
- Assessing whistleblowing concerns
- Addressing the issues raised as a whistleblowing concern
- How to give feedback and reassure the whistle-blower, including liaison with HR if appropriate.
- Record keeping that complies with data protection procedures and maintaining a chain of evidence should this be required for disciplinary, civil or criminal action.
- Safeguards to protect the whistle-blower i.e. reprisal against employees making allegations in good faith is not tolerated; and any reprisal must result in disciplinary action which may lead to dismissal.
- Internal and external accountability, for example failure to follow the procedure - the most effective way for whistleblowing concerns to be investigated and the issues resolved is for the internal reporting route to be used. Failure to follow internal options first (for example, by approaching the media before Centum) must be considered gross misconduct and must lead to disciplinary action.

All new employees must be sensitized on Centum's whistleblowing arrangements during their initial orientation when joining the company. All other employees must be reminded of whistleblowing arrangements, at least once a year, through refresher trainings for them to continuously identify and disclose suspicions of malpractice, understand Centum's legal requirements for whistleblowing, and the protection that must be provided to whistleblowers. Trainings can be facilitated through:

- Newsletters and other promotional material such as posters

- Employee surveys
- Updates on the Intranet
- Explaining whistleblowing arrangements when values or ethics are promoted
- Where appropriate, sharing lessons learnt from whistleblowing concerns or investigations

Records of training must be kept showing who received training, the training content and the date the training was received.

Trainings on the Whistleblowing policy shall be coordinated and conducted by the Group Risk and Compliance Function.

The whistle blowing policy shall be made available on the Group's intranet and website.

6 Legal and regulatory obligations

Each business in Centum must determine the extent to which local legal and regulatory duties apply to ensure that they remain locally compliant and can report any conflicts with local legislation.

7 Compliance

It is the responsibility of all employees to comply and report violations or suspected violations in accordance with the whistleblowing policy. If a member of staff fails to disclose, when certain, of an occurrence included in but not limited to the list of categories of whistleblowing concern mentioned above he/she may be regarded to have committed a serious misconduct addressable under the Group HR policy.

Each business in Centum should obtain annual compliance declarations from employees.

8 Independent Assurance

Internal Audit will assess the extent to which risk management and governance practices are effective and that systems of control are functioning as intended, in line with perceived risk.

9 External Reporting

Where appropriate (for example, where criminal behavior such as fraud, bribery and corruption and/or local regulatory breaches have been identified), whistleblowing events must be reported by the appointed Chairperson of the Ethics Committee to local law enforcement, regulatory bodies or government agencies except where this is impractical or unsafe, in which case, they must be reported to the Group CEO and Board Risk Committee. Centum must cooperate fully with law enforcement and regulators locally within the bounds of local legislation.

10 Cooperation


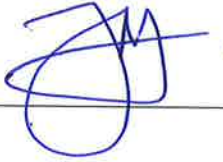
An employee who fails to cooperate in an investigation, or who deliberately provides false information during an investigation, shall be subject to disciplinary action up to, and including, dismissal as prescribed in the Group HR Policy.

Any person named in a report will be given an opportunity to be heard and defend themselves before any action is taken.

11 Records Keeping

At the end of the proceedings, all records of the investigations are surrendered to Ethics Committee who must keep these records for a minimum period of seven (7) years after the completion of the proceedings and he/she must ensure that they are backed up.

Approvals

Name	Sign	Date
Thomas Omondi Group Chief Operating Officer		18/07/2019
Dr. James Mworira Group Chief Executive Officer		19/07/2019.

Appendix A: Flow Chart Showing the Whistleblowing Process

