

**NEXUS (U) LIMITED.**

**WHISTLE BLOWING POLICY**

JANUARY 2018

## Policy Review and Approval Page

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## **1. INTRODUCTION**

- 1.1. NEXUS UGANDA Ltd. ("the Company") has core values that demand high ethical standards with regard to Honesty, Integrity, Accountability and Respect. Therefore, the Company's Whistle Blowing policy will provide the framework to report undesired employee conduct and bad governance that contravene these ethical standards.
- 1.2. This Whistle Blowing Policy ("the policy") is in furtherance of the Company's desire to strengthen the Company's system of integrity and the fight against frauds, violations, corruption and related offenses.
- 1.3. The policy sets forth the conditions and procedures for investigations of allegations violations, corruption, fraud and any other misconduct. It is issued in consistence with the mandate of the Company's Directors.
- 1.4. Upon approval of this policy by the Directors, the management team of the Company will be authorized to take steps necessary for the implementation of this policy. This includes the issuance of appropriate directives and revision of staff rules and regulations to conform to the relevant provisions of the policy.
- 1.5. Where the language of the existing company policy on a related subject is inconsistent with the terms of this policy, this policy shall prevail.

## **2. PURPOSE**

- 2.1. The Company is committed to maintaining the highest possible standards of ethical and legal conduct in all Company activities, projects, programs and businesses ("Company Projects").
- 2.2. In line with this commitment and in order to enhance good governance and transparency, the main aims of this policy are to provide an avenue for raising concerns related to fraud, violations, corruption, process ineffectiveness or any other misconduct and to assure that persons who disclose information relating to fraud, violations, corruption, process ineffectiveness or any other misconduct will be protected from retaliation.
- 2.3. The Policy addresses:
  - The Basis of the Company's whistle blowing mechanism;
  - Coverage and scope;
  - Who is the whistle blower and complainant;
  - Protection of and remedies for whistle blowers and complainants;
  - Dispute resolution mechanisms;
  - Voluntary disclosure program;

- Channel and procedures; and
- Hotline facilities.

2.4. The Corporate Compliance Officer (CCO) is designated as the advocate for the whistle blowers and is authorized to implement this policy. The Corporate Compliance Office shall be responsible for undertaking investigations under this policy.

### **3. BASIS OF THE COMPANY'S WHISTLE BLOWING MECHANISM**

3.1. The Company's governance stresses the need to identify, report, and most importantly, prevent all forms of mismanagement of funds. Good governance in the Company and Company projects will be enhanced by the institution of whistle blowing and complaints mechanism. Consistent with the policy on good governance, the company will institute a reliable, effective and efficient mechanism that allows customers, third parties and Company staff to confidently flag cases of fraud, violations, corruption, and any other misconduct by Company staff and other persons in Company projects. "Company staff" will include appointed/elected officers of the Company, regular Company employees, short term Company staff, Company-employed consultants, and any individuals hired or employed, either permanently or temporarily by the Company.

3.2. The Company's core values demand the highest standards of ethics, honesty and accountability at all times and delivery of the best quality of service to Company customers with utmost rigor, efficiency, and transparency. These core values will be further fostered by a credible whistle blowing and complaints mechanism detailed in this policy.

3.3. The core values encourage Company staff to avoid actions that would reflect unfavorably on their position as officers, employees of the Company. Company staff is required to exercise utmost discretion in official business and avoid situations of real or apparent conflict between their private interests and their Company related duties.

3.4. The Code of Conduct ("the Code") reinforces respect for the core values and requires Company staff to demonstrate integrity, honesty, priority and loyalty in the discharge of their functions and private affairs.

### **4. COVERAGE AND SCOPE**

4.1. In line with the Code and Rules, Company staff are required to disclose acts related to fraud, violations, ineffectiveness or any other misconducts that come to their

attention. Similarly the Company's governance requires its customers, third parties, and Company staff to disclose acts of fraud, violations, corruption and misconduct including acts that involve Company staff as well as actions that undermine the operations and mission of the Company. The typical disclosures required of Company staff, customers and third parties include, without limitation, the following:

- a) Unlawful acts or orders requiring violation of a law, gross waste, mismanagement and abuse of authority;
- b) Failure to comply with statutory obligations;
- c) Fraud, which means any act or omission, including a misrepresentation, that knowingly and recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
- d) Corruption, which means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
- e) Misconduct, which means failure by Company staff to observe the Company's rules of conduct or standards of behavior;
- f) Coercive practices, which mean impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- g) Collusive practices, which means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- h) Process ineffectiveness, system failures and any other activity which undermines the Company operations and missions.

4.2. Whistle blowing and complaints should be made in the reasonable belief that what is being reported is true. Allegations and concerns expressed anonymously shall be considered at the discretion of the corporate compliance officer. In the exercise of such discretion, the factors to be considered by the CCO shall include, without limitation, the seriousness of the allegation, its credibility, and the extent to which the allegation can be confirmed or corroborated by attributable sources.

## **5. WHO IS A WHISLE BLOWER OR A COMPLAINANT**

- 5.1. A Whistle blower or complainant is any person or party who conveys or is proven to be about to convey a concern, allegation, or any information indicating that fraud, process or regulatory violations, corruption, unethical, professional or any other misconduct that is occurring or has occurred in the Company or in a Company project; with knowledge or good faith belief that the concern, allegation, or information is true. Such persons or parties, without limitation, include Company staff, customers and third parties or any other entity or person.
- 5.2. This policy does not apply to the complaints of Company staff associated with unsatisfactory probation reports, performance evaluations, discriminatory work assignments, equal employment opportunities, and any other personal grievances. These will be referred to the Human Resources Department and other mechanisms established by the Company for such grievances. However where in the view of the whistle blower or complainant, factors such as probation reports, performance evaluations, work assignments and opportunities or any form of harassment is being used by management in a retaliatory manner, this policy will apply.
- 5.3. The success of the policy depends in part on the conscience and professional ethics of the whistle blower or complainant and the attendant assurance of confidentiality. Nonetheless, perceived ostracism by peers, harassment, or victimization can be disincentives to whistle blowing. To avoid the psychological pressures such conflicts can cause whistle blowers and complainants, the Company shall protect whistle blowers and complainants.
- 5.4. It should be noted that whistle blowers and complainants are reporting parties. They are neither investigators nor finders of fact; they do not determine if corrective measures are necessary; they do not determine the appropriate corrective or remedial action that may be warranted.

## **6. PROTECTION AND REMEDIES FOR WHISTLE BLOWERS AND COMPLAINANTS**

- 6.1. The Company will protect the whistle blower's or complainant's identity and person. For whistle blowing and complaint mechanisms to be effective, the concerned parties will be adequately assured that the information given will be treated in a confidential manner and above all that they will be protected against retaliation from within or outside the Company.
- 6.2. The person accused is entitled to information but not the source of information. Therefore, the Company will maintain as confidential the whistle blower or complainant's identity unless:
  - a) Such person agrees to be identified;

- b) Identification is necessary to allow the Company to investigate or respond effectively to the disclosure;
- c) Identification is required under the Company's rule and regulations, where a false accusation has been maliciously made; and
- d) The Company is required by law to provide such information.

In the above eventualities, the Company shall inform the whistle blower or complainant prior to revealing his or her identity.

6.3. Retaliation shall not be permissible against any whistle blower or complainant.

"Retaliation" means any act of discrimination, reprisal, harassment, or vengeance, direct or indirect, recommended, threatened or taken against a whistle blower or complainant by any person because the whistle blower or complainant has made a disclosure pursuant to this policy.

6.4. The protection the Company can give parties external to the Company will be limited to the capability of the Company. But any retaliatory action against a contractor or its employees, agents or representatives by Company staff or by Company contractors because of a disclosure made by such persons under the policy will be treated as misconduct and subject to disciplinary action. If retaliation occurs at the hands of Company contractors, then the contract in question will become subject to immediate review and possible termination.

6.5. Subject to other policies of the Company, the following protection and sanctions can be among those employed by the Company depending on the circumstances:

6.5.1. To the extent possible, the Corporate Compliance Officer shall guarantee confidentiality of the identities of whistle blowers and complainants. An individual who submits a complaint or is a witness in the course of an investigation shall subject to the Company's rules and regulations have his identity protected;

6.5.2. Where an individual makes or is in the process of making a report in the reasonable belief that the contents of the report are true on a matter subject to the authority of the Company, that individual's identity is to be fully protected from unauthorized disclosure by the compliance officer ;

6.5.3. Where a party external to the company reasonably believes he or she is threatened with the retaliation because he or she assisted in an investigation or an audit by the company, on the recommendation of the CCO, the Corporate Compliance Officer shall commit the company to provide reasonable and appropriate assistance to secure that party's protection;

6.5.4. Where there has been an unauthorized disclosure of the identity of a whistle blower or someone assisting in compliance inquiries, the corporate compliance

officer shall institute the appropriate disciplinary measures available in the Company's rules and regulations.

- 6.6. The Company shall guarantee employment protection of Company staff who submit a complaint or information indicating fraud, violation, corruption, or any misconduct knowing or reasonably believing the complainant or information submitted to be true shall be protected from retaliation. Employment remedies available to a whistleblower against whom there has been retaliation shall be determined by the Corporate Compliance Officer based upon his or her findings and recommendations and shall include but not be limited to:
  - 6.6.1. Entitlement to the same or comparable position in salary, responsibility, opportunity for advancement and job security;
  - 6.6.2. Back benefits and pay, with consideration of the likely advancement and salary increases that a staff member would have received;
  - 6.6.3. Compensatory damages, including financial losses linked to the retaliatory action by the Company and significant emotional distress, including any physical ailments suffered as a result of that distress and related medical costs;
  - 6.6.4. Adjudication expenses, including representation fees, costs of expert witnesses, travel and other costs associated with the claim of retaliation. These costs should be automatically paid to a prevailing whistle blower;
  - 6.6.5. Transfer upon the request of the prevailing whistle blower to another part of the Company;
  - 6.6.6. Intangible benefits, including public recognition of the vindication of the whistle blower, and in appropriate circumstances public recognition of the contributions of the whistle blower to the Company.
- 6.7. In addition to the remedies enumerated above, the corporate compliance officer shall recommend further relief as the case may be, as follows:
  - 6.7.1. Where there is a reasonable concern that the Company staff may suffer personal injury, the Managing Director shall accord the Company staff whistle blower status and take available measures to secure his or her personal safety and security whilst at work;
  - 6.7.2. Where the compliance officer determines that the whistle blower is in a life threatening situation, the CCO shall take immediate necessary action to protect the whistle blower;

- 6.7.3. Where Company staff has suffered retaliation or is threatened with retaliation because of assistance he or she gave in an investigation or audit, the CCO shall take steps to prevent such actions from taking effect or otherwise causing harm to the Company staff. Consequently, a Company staff who believes that the retaliatory action has been taken against him or her because of whistle blowing or cooperating in an investigation or audit, should contact the compliance officer with all information and documentation available to them in support of their complaint. The CCO shall as a matter of exigency review the evidence provided and make a decision or order an immediate investigation. On the recommendation of the Internal Auditor, the CCO shall immediately provide protection from retaliation for the affected Company staff.
- 6.7.4. Where there is no case to a claim raised by a whistle blower or a complainant, but it is clear that the Company staff making such a claim acted with good faith, the CCO shall ensure that the Company staff suffers no retaliation. When established, retaliation for a disclosure made in good faith shall be by itself misconduct. Company staff not making allegations in good faith or without reasonable belief that what is being reported is true may be subjected to disciplinary action in keeping with Company rules;
- 6.7.5. Where Company staff can show evidence that prior to the alleged retaliation, the Company staff, had reported or was in the process of reporting an instance of fraud, violation, corruption or any other misconduct to the hotline, or pursuant to any other reporting mechanism provided under this policy, the corporate compliance officer shall make a relief for the whistle blower;
- 6.7.6. Where a Company staff can show evidence of being mistakenly identified as whistle blower and consequent retaliatory action is taken against him or her, the affected Company staff shall report the matter to the CCO with all the documentation available to them in support of their complaint. The CCO shall as a matter of exigency, review the evidence and make remedial relief;
- 6.7.7. Where Company staff can show evidence that prior to the alleged retaliation, the Company staff had reported or was in the process of reporting an instance of fraud, violation, corruption or any other misconduct to the hotline, the Managing Director, or Compliance Officer, or pursuant to any other reporting mechanism provided under this policy, such Company staff shall be deemed to have satisfied the minimal burden of proof. The burden of proof shall then transfer to the Company to prove by clear and convincing evidence that the action taken by the Company against such a Company staff was for a separate and legitimate reason, and not reprisal or retaliation for the malpractice reported by the Company staff;

- 6.7.8. Where the alleged retaliation is by the CCO or threatened by him or her, the report should be made to the National Labour Office.
- 6.8. Prior to making any public disclosure of fraud, violation, corruption, or, misconduct, Company staff should first utilize the procedures set out in this policy. Protection against retaliation for making a public disclosure shall be available where:
- 6.8.1. Such disclosure is necessary to avoid
- a) A significant threat to public health and safety; or
  - b) Substantive damage to the Company's operations;
- 6.8.2. The use of internal mechanisms is not possible because: at the time the disclosure is made, the individual has grounds to believe that he/she will be subjected to retaliation by the person(s) he or she should report to pursuant to the established internal mechanism; or it is likely that evidence relating to the misconduct will be concealed or destroyed if the individual reports to the person(s) he or she should report to pursuant to the established internal mechanism; or the individual has previously reported the same information through the established internal mechanisms, and the Company has failed to inform the individual in writing of the status of the matter within six months of such a report; and
- 6.8.3. The individual has not accepted payment or any other benefit from any party to persuade him/her for such disclosure.
- 6.9. Public disclosures by non-Company staff shall be investigated.
- 6.10. In furtherance of policy objectives, the Company and its staff shall have obligations and rights, amongst which are the following:
- 6.10.1. Company staff are duty bound to disclose any fraud, violation, corruption or misconduct that come to their attention immediately but in any event not later than two (2) days after being aware of the fraud or corruption failure of this duty shall be subject to disciplinary action. Furthermore, disciplinary action shall be taken against staff who knowingly prevent or cover-up any acts of fraud, violation or misconduct. Company staff shall be deemed to have discharged a reporting obligation once a report is made to:-
- a) The hotline facilities established to enable anonymous reporting;
  - b) His or her supervisor;
  - c) The Corporate Compliance Officer ; and or
  - d) The Managing Director of the Company.
- 6.10.2. As a matter of general deterrence, the Company shall publicly inform Company staff of the penalty imposed and discipline of a manager for misconduct arising from retaliation;

6.10.3. The whistle blower shall have prior opportunity to review any communication that would lead to exposure;

6.10.4. The reporting of the retaliatory cases related to this policy shall as with other investigative activities of the CCO, be made available to Company staff taking into account the privacy of the party/parties concerned.

## **7. DISPUTE RESOLUTION MECHANISM**

7.1 Company staff shall be protected as explained above under Section 6 of this policy. In the event a dispute has not been resolved, resolution mechanism such as conciliation shall be established to address cases relating to retaliation against disclosures made in good faith under this policy. Members to such a mechanism shall be appointed by the CCO.

## **8. VOLUNTARY DISCLOSURE PROGRAM**

8.1 The Company encourages all staff and firms or individuals involved in Company projects to volunteer information on any fraud, violation, corruption or misconduct of which they have a mitigating effect in the application of sanctions. The disclosure of such information is to further facilitate an investigation and thus deter or prevent fraud, violation, corruption or misconduct. Voluntary disclosure merely to pre-empt an illegality likely to be detected will not apply under this policy.

## **9. CHANNELS AND PROCEDURES**

9.1 The channels and procedure for whistle blowing and complaints will depend on whether or not the allegation, complaint or information being made or disclosed by Company staff or by a party external to the Company staff is expected to whistle blow on transactions, operations and any other activities of the Company; and involve fraud, violations, corruption or misconduct, whether internal or external to the Company. Complaints by an external party affected by the Company's compliance or non-compliance with Company's policies in a Company project shall be referred to the Compliance Officer.

9.2 Company staff shall report allegations or concerns through Hotline depending on the staff's choice or through an immediate supervisor. Where the Company staff feels uncomfortable discussing the matter with the immediate supervisor or foresees a potential conflict of interest or for any other reason is reluctant to disclose to an immediate supervisor, the Company staff shall use the avenues highlighted under Section 6 above.

- 9.3 On receipt of an allegation from a Company staff, the CCO will register the allegation and where the identity of the Company staff is known, acknowledge receipt of the allegation, and where appropriate to the nature of the information or allegations explain the subsequent actions to be taken and give an indication of when such actions are to be taken. Company staff making a disclosure should expect an official correspondence within one week as to the preliminary evaluation by the CCO.
- 9.4 Parties external to the Company shall be free to use the hotline to register complaints and make allegations in strict confidence. All allegations received whether through the hotline or through other channels provided for in the policy from Company staff or an external party shall be logged and registered and screened by the CCO. Once registered, the allegation will be evaluated by the CCO to determine its credibility, materiality and verifiability. To this end, the complaint will be evaluated to determine whether there is a legitimate basis to warrant an investigation.
- 9.5 A preliminary evaluation will determine whether there are grounds for a more detailed investigation. This assessment shall be based on information and documentary evidence provided by the whistle blower or complainant and shall consider whether the disclosure has been made on the basis of reliable information and in good faith. Where the preliminary evaluation reveals tangible and credible information and supports the existence of conditions identified by this policy, a full investigation will be launched. The party or parties subject to the investigation shall be informed unless such communication would, in the view of the CCO interfere with the investigation or related investigation within the jurisdiction of the CCO.
- 9.6 Upon receipt of a complaint on retaliation, the CCO shall initiate an investigation and as appropriate provide interim relief to the whistle blower, and take such interim remedial action to cure the underlying circumstances.
- 9.7 The interim relief and actions to protect and adjudicate the rights of the whistle blower shall be a separate process from the investigation of related underlying issues within the jurisdiction of the CCO.

## **10. HOTLINE FACILITIES**

- 10.1. The Company shall make available a hotline to potential whistle blowers and complainants. The existence of such facilities is a deterrent in itself and a strong reminder to Company staff of the Company's commitment to fight fraud, violations, corruption and misconduct.

- 10.2. The available facilities for use will be secured telephone contacts of the Managing Director or the CCO. Complaints will be received from wherever they were made. The following contacts shall be available:

o [whistleblowing@nexusugltd.com](mailto:whistleblowing@nexusugltd.com)

o [compliance@nexusugltd.com](mailto:compliance@nexusugltd.com)

o Managing Director: office line +256414590201, mobile +256 701 42 33 84,

## **11. COMPENSATION**

- 11.1. Where information provided by a whistleblower leads to the recovery of Company assets, prevention of loss of Company assets and or life, management at its discretion may decide to reward the whistleblower with an appropriate reward that may be but is not limited to a cash reward. However, the submission of malicious reports will be considered a disciplinary matter.
- 11.2. For financial rewards, the amount of the award will largely be determined by significance of the information received and assistance provided by whistleblower in the investigation process.

## **12. TRAINING**

The CCO will be responsible for adequate staff training and sensitization of this policy. The training may be delivered by way of face to face instruction, email and through written tests. A suitable training method shall be adopted to ensure effective and adequate training.

## **13. REVIEW**

- 13.1. At least bi-annually, the whistle blowing policy will be reviewed to be in line with best practice.