

**مجموعة الأوراق المالية (ش.م.ك.م.)
Securities Group (K.S.C.C)**

Whistle Blowing Policy

A. Introduction

Within its corporate governance framework, the company expects all its employees to abide by the law, CMA regulations and the companies policies and procedures at all times and has controls in place to deter any breaches.

However, the company recognizes that no matter what level of controls are in place to safeguard against unauthorized or irregular activities, incidents can still occur.

The Board has adopted Whistleblowers policy whereby employees within the company can confidentially raise concerns, expose irregularities, help uncover financial malpractices, prevent frauds, eliminate personnel harassments etc. The CMA is committed to encouraging all employees and stakeholders, to raise concern about unethical or unacceptable practices and /or misconduct related to the company, in a manner which ensures that they can raise matters of concern without any fear of reprisal from the company or any adverse consequences.

The policy is an important mechanism for maintaining the Company's accountability and transparency by enabling employees and other stakeholders of the company a means to voice their concerns un a responsible and effective manner.

Purpose and Objective

The policy aims to set out the company's written , formal whistle-blowing policy, consisting of responsible and effective procedures for disclosure or reporting of misconduct, suspected incidents/ activities and impropriety that can have a negative impact on the company so that appropriate remedial action can be taken if concerns are deemed legitimate .

This policy does not and will not apply to or change other company's policies and procedures for individual employee grievances or complaints ,relating job performance, terms and conditions of

employment which will continue to be administered according to the current procedures.

It is important that all employees and stakeholders become familiar with the policy.

The Objectives of this policy are aimed at the following:

- 1- Providing a means for responsible confidential channel for escalation of concerns about cases of misconduct or possible irregularities/frauds that may affect the company without fear of reprisal from the company:
- 2- To define a process the review and handle these concerns
- 3- Encouraging timely reporting of alleged malpractices/misconduct
- 4- Ensuring consistent and timely response to reported improprieties
- 5- To re-assure employees that they will be protected from punishment or unfair treatment for disclosing concerns in good faith in accordance with the procedures
- 6- To help develop a culture of openness accountability and integrity; and
- 7- Protecting the rights of the company and that of its shareholders.

B. Scope

This policy applies to the deliberate, voluntary disclosure of individual or organizational impropriety by a person who is actually, suspects or anticipated for wrongdoing within or by an organization that is within its ability to control. The conduct investigations either directly or through other resource against complaints received by BCGC regarding any wrong doing, impropriety and service inefficiencies.

C. Reporting a Whistle Blowing

Board Corporate Governance Committee "BCGC" will be responsible for receiving; handling and monitoring allegation; complaints and concerns voiced by the whistleblower .BCGC shall refer their recommendation for BOD for action BCGC bye-laws shall be applied for whistle blowing meetings

Members of the company management will be requested to join whistle blowing meetings by the BCGC chairman as and when required. In the event a complaint concerns one of the committee members he/she will stand down from the committee for the investigation and be replaced by an alternate member of the board as approved by the board of directors.

D. Definitions

Whistle Blowing: CMA defines whistle-blowing as 'alerting the company authorities that an individual or group of individuals have committed or are going to commit offences that are considered to be unethical/improper behaviour or practices ,fraud related ,violation of internal policies and procedures, activities that contravene the laws of Kuwait , breach of CMA regulations.

By escalating these potential issues, the company will be made aware of these concerns and is alerted that its interests and the interests of stakeholders are being compromise, or at the risk of being harmed.

The Whistle blowing process should only be used if the whistle blower feels that the complaint will not be taken seriously if reported to their direct manager, or where a staff member has reported an incident to their direct manager, or where a staff member has reported an incident to their line manager but sees no appropriate action being taken.

Whistleblower – a Whistleblower is any employee, director, related officer, contractor, service, user, customer or any member of public , who make or attempts to make a disclosure of improper conduct or wrongdoing.

It is recommended that the whistleblower does identify himself on the form (Appendix) though it is not obligatory and the whistleblower has the right to remain anonymous.

In addition and in accordance with the CMA instructions regarding the rule and standards of Corporate Governance in companies (Date January 2012), employees may choose under this policy to submit their

complaint directly to the chairman of the board of directors rather than the BCGC.

The Chairman of BCGC to initiate the investigation and report back to BOD with their findings and recommendations.

E. Process

1. The whistle blower who has observed or suspected a fraudulent act, wrongdoing or improper conduct breach of policies ,procedures and regulations that can adversely impact the company by the company`s personnel or relating to the company`s accounting internal controls or financial reporting matters can report his/her concerns to the chairman of BCGC.
2. The attached form (Appendix) shall be filled by the whistleblower .It is essential that the whistleblower is fully transparent and discloses all facts and information to the committee.
It is expected that the whistleblower will demonstrate in the appendix that there are sufficient grounds for concern although it is accepted that the whistleblower does not have to prove that the allegations are true.
3. If the whistleblower chooses his identity to be kept confidential, then the first step would be to ensure that the employee or stakeholder is aware of company`s whistle –blowing policy.
4. The BCGC will notify the sender the acknowledgement of the receipt within 5 business days, in the event the whistleblower wishes to remain anonymous then there will be no acknowledgement
5. BCGC shall request all facts and information from the executive management, through the secretary to BCGC.

Actions by BCGC can be delegated to specific individual's fir execution and follow-up

6. BCGC chairman shall call for committee meeting to discuss all information related to the presented case, and the recommendation to BOD which shall be done within 10 business days.

BCGC may request a thorough investigation to be performed for the raised allegation, hence extending the period for raising their findings to BOD

7. In Case BCGC chairman sees that the case is urgent then he can exceptionally accelerate the process to commensurate with the urgency nature.
8. The BOD based on the recommendations will decide the action as per the company's policies local laws and local regulatory laws.

F. Protection of the Whistleblower

Any employee who reports a case of possible fraud/irregularity through this process is protected against any action being taken against him/her by the company as a result of reporting misconduct this is the case whether or not the suspected activity is unable to be proven through the investigative process. If required every effort will be made to protect the anonymity of the whistleblower but this may not always be possible.

This policy directly assumes that employees will act with honesty and integrity and will not make false accusations against other employees. If the BCGC CONCLUDES that an employee has knowingly and deliberately made false statements against another employee without sufficient valid proof then the protection of anonymity will be forgone and the employees will be subject to the application of company's disciplinary action as per the employee code of conduct and HR policy including termination.

The Board of Directors the BCGC give the assurance that employees, stakeholders, can raise legitimate concerns, without fear of reprisals or provided they were made in good faith.

Nevertheless the company cannot protect the whistleblower against other legal or non-legal consequences.

Line Managers/Department heads and Division heads should be advised that the complaints received from staff members involving other staff under the whistle blowing policy should be dealt with utmost

confidentiality to protect the employee who reported the issue in good faith to safeguard the company's interest.

All allegations made in good faith irrespective of whether they are subsequently proved to be false; the company will not take any action against the individual who raise the concern as part of the whistle blowing policy.

G. Reporting of whistle Blowing

Whistle Blowers can raise their concerns to the chairman of BCGC in writing using the form in appendix A which will be available on the company's internal and external web site. All written concerns can be dropped in the complaints and suggestions boxes available on the company's premises. The area responsible of opening those boxes shall sent the whistle blowing letter directly to the secretary to BCGC.

H. Records of Whistle Blowing

The secretary to BCGC will be maintaining the records of all whistle blowers in a confidential and restricted safe lock with only access to the BCGC members, And the same will be retained by the company as required by the local law/Local regulations as per the regulatory authorities.

I. General

1. This policy shall be reviewed by BCGC annually, or as needed, prior to submission to the board for approving any amendments.
2. All Staff should ensure that they take steps to disclose any wrongdoing or malpractice of which they become aware as soon as possible. Concealment will be deemed as complicity. Any queries about the content or application of this policy should be made to the secretary to BCGC.
3. This policy become effective after they are approved by the board and the board of directors is vested with the right to effect amendments to the policy.

4. The secretary to BCGC shall be responsible of circulating this policy to all company staff and explaining the process of implementation.

Section 1	Whistle Blowing Report Form Note: If you wish to remain anonymous do not complete section 1 and do not sign the form in section 2
Name of Person Reporting	
Staff ID	
Job Title	
Department	
Division	
Email address	
Contact number	

Section 2	The Complaint
What misconduct occurred, please use additional paper if required?	
Who Committed The misconduct?	
When did it happen?	
Where did it happen?	
Do you have any evidence to support the claim?	
Are there any other people involved?	
Do you have other information that would assist an investigation?	
Any other comments?	
Date	Signature :

Section 3	Whistle Blowing committee use only
Report Number	
Received by and date	
Acknowledgement sent	
Investigation required (Y/N)	
Investigation CARRIED out by	
Investigation results	
Recommendation /Action taken	
Signed by member if whistle blowing committee	

Section4	Board Audit Committee Approval of Recommendations
Approval date	
Minutes Evidencing Approval Attached Y/N	