

HBL

ASSET MANAGEMENT LTD.

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WHISTLE BLOWING POLICY

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1. Introduction

Whistle Blowing Policy is aimed to provide a platform for Whistleblowers to voice their concerns to appropriate pre-identified authority without any fear of revenge, such as fear for the loss of job, discrimination, victimization, harassment, etc., about any suspicious or undesired events / activities, which are against the policies of HBL Asset Management Limited or may have an adverse impact on the business or goodwill of HBL Asset Management Limited or in some cases even on the society at large. This policy will also serve to prevent / detect any attempts of defrauding the organization and other malpractices by its employees, by encouraging all staff to raise their concerns about suspicious activities without fear and prejudice. This policy shall not apply to HR related complaint / matters.

2. Purpose

- 2.1 The purpose of this policy is to create an environment at HBL Asset Management Limited where “Stakeholders” are encouraged to reveal and report, without any fear of retaliation, subsequent discrimination and of being disadvantaged in any way, about any fraudulent, immoral, unethical or malicious activity or conduct of employees, which in their opinion may cause financial or reputational loss to the Company.
- 2.2 Whistle Blowing Policy of the Company provides assurance to the Whistleblowers about secrecy and protection of their legitimate personal interests.
- 2.3 It is the Company’s policy to support and encourage its employees to report and disclose fraudulent, immoral, unethical or malicious activities The policy assures that all reports under this Policy would remain strictly confidential and that the Company is committed to address reports (if any) that alleges acts of interference, revenge, retaliation, threats, against the Whistleblowers.
- 2.4 The Company’s internal control and operating procedures are intended to detect and to prevent or discourage such undesirable activities which may include but not limited to fraud, immoral turpitude, unethical behavior, etc.; however, even the best systems of controls cannot provide absolute safeguards against irregularities. Therefore, all employees are encouraged to report any such activity or act / misconduct that may cause financial or reputational loss to the Company.

3. Definitions

- 3.1. **Whistle Blowing:** The term whistle blowing refers to an act of raising concerns about actual or potential violation of the code of conduct including misconduct, unethical behavior, fraud/ forgery, bribery, corruption, money laundering, terrorist financing, insider trading, password sharing, alleged dishonesty, danger to health & safety, bullying, harassment including sexual harassment, discrimination, regulatory misreporting, questionable accounting, auditing and financial reporting practices, breach of law, unauthorized use, unethical / unfair practices or illegal activity occurring within an organization that may lead to internal financial, regulatory or reputational loss.
- 3.2. **Whistleblower:** Whistleblower is a person, who sends communication to a pre-defined authority, following the process as prescribed. The role of a Whistleblower would remain to the extent of reporting only, who will neither be considered as an investigator nor assigned the responsibility to develop the appropriate corrective or remedial action that may be required under the given situation.

- 3.3. **Stakeholder:** Stakeholders may include employees (all permanent, temporary and/ or contractual staff, intern), ex-employees, customers, directors, suppliers, vendors, contractors, consultants, service providers, shareholders or any other representative of the company.
- 3.4. **Investigator:** BAC shall assign the complaints to Head of Internal Audit or any other appropriate authority or outsource to any investigator with guidelines on how to proceed on the complaint. The investigator shall get the investigation done as per guidance provided by BAC and submit the report to the Committee.
- 3.5. **Retaliation:** Retaliation means any act of discrimination, revenge or harassment directly or indirectly taken against a Whistleblower, by any person, for making a disclosure under this Policy.
- 3.6. **Protection:** Protection means all reasonable steps taken by the Company to ensure confidentiality of the Whistleblower's name as well measures enforced to protect the Whistleblower from retaliation and financial losses.

4. Responsibility for Implementation

The Board Audit Committee (BAC) shall be responsible for the implementation of this policy.

5. Applicability

This policy shall be applicable to all employees (contractual or permanent both) of the Company across the board.

6. Confidentiality

All matters will be dealt with confidentiality and the identification of the Whistleblower will not be disclosed. Except for inevitable situations, where disclosure of identity of the Whistleblower is essential (for instance, his / her statement/evidence is needed in court) or report of a complaint has to be disclosed to those persons who have a need to know in order to properly carry out an investigation of the complaint.

7. Protection of Whistleblowers

- 7.1. The information given and the identity of the Whistleblower will be treated in a confidential manner.
- 7.2. The Company stands committed to protect Whistleblowers for Whistle Blowing, harassment or victimization of the Whistleblower will not be tolerated.
- 7.3. If the Whistleblower feels that, at his / her place of deputation, he / she might be subjected to victimization or harassment by the alleged officials after blowing the whistle, the management may consider transferring him/her to another suitable place on his/her request. However, this assurance is not extended in cases where it is proved that the Whistleblower raised the matters to settle his / her personal grudges or grievances or enmity or where the Whistleblower has been habitually involved in complaining petty issues.

- 7.4. Protection that Company can extend to Whistleblower is limited to the Company's capability, but any retaliatory action against any Whistleblower as a result of whistle blown by such person under this Policy shall be treated as Misconduct and shall be dealt as per company's disciplinary policy.

8. Communications Channels for Lodging Complaints

- 8.1. Stakeholders may report matters by lodging his/her complaint through a dedicated e-mail address whistle.blowing@hblasst.com which will be accessible only by the Chairman BAC and Head of Internal Audit.
- 8.2. Complaints may also be lodged through postal mail, addressed directly to the Head of Internal Audit with a copy marked to Chairman BAC at HBL Asset Management Ltd Head Office address. All such correspondence should be marked "Confidential" on the outer envelope and "Whistle Blowing" on the inside envelope for maximum confidentiality.
- 8.3. Whistle blower may raise his/her concern through Whistle Blowing Form available at Company's official website www.hblasst.com.

9. Complaint Handling Procedure:

- 9.1. The Company will put in place a mechanism to evaluate effectiveness of Whistle Blowing Function under this Policy. Under that mechanism, MIS relating to issues raised through Whistle Blowing arrangements and management response to such issues will be reported to BAC periodically. In addition to this, names of the official(s) responsible for receiving, handling and monitoring whistle blow complaints shall be presented to BAC for periodic review.
- 9.2. The Whistleblowers should share their identity to enable the authorities to conduct their investigations properly and gather evidence. Anonymous complaints will not be encouraged however BAC will have the right to take up any complaint.
- 9.3. Once a complaint is received, Chairman BAC may discuss it with other BAC members or Head of Internal Audit or any other senior staff of the company to decide whether the complaint warrants an investigation.
- 9.4. If the Committee believes that the complaint has substance, they may decide to launch the investigation and assign an investigator. Otherwise, the complaint may be set aside while recording reasons for doing so.
- 9.5. The Whistleblower may be contacted by the Investigator as part of the investigation process. The whistleblower should endeavor to lend maximum cooperation to the investigator and share all evidences to help with the process.
- 9.6. The Company will ensure that the Whistle Blowing Policy is fairly and consistently applied. It should spell out zero tolerance for all violations e.g. fraudulent, immoral, unethical or malicious activities.

9.7. The final investigation report shall be presented to BAC for its review and decision within 45 days from the date of initiation of the inquiry.

10. Misuse of Whistle Blowing

It is expected from all stakeholders to refrain from rumor mongering, irresponsible behavior and levelling false allegations on any one. If a complainant makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. If, however, any person makes malicious or frivolous allegations /complaint(s) or tries to use whistle blowing process for settle any personal score or pressurize any innocent party, strict action may be taken against them for misleading BAC.

11. Process of Whistle Blowing

The Head of Internal Audit shall be responsible for the development of Whistle blowing Procedures which shall further be approved by BAC.

12. Reporting

Strict confidentiality will be observed in submission of the investigation reports. The report along with the result of investigation carried out by the team formed shall be submitted to the BAC on periodic intervals.

13. Retention of whistle blowing complaints

All whistle blowing complaints received at the aforementioned dedicated email address shall be retained for five years after which the complaints shall be archived and preserved as per Company's record retention policy.

14. Disciplinary Action

14.1. If involvement of the Company's officials in fraudulent, immoral, unethical or malicious activities and other malpractices is proved during investigation of the case then disciplinary action will be initiated as per applicable rules and procedures of the Company.

14.2. For external parties, the Company may on the basis of investigation report and recommendations, consider taking appropriate legal action against the concerned party.

15. Revisions and availability of the Policy

This policy shall be available on HBL AML's internal portal as well as on Company's corporate website. The following extract shall be placed on the portal:

For whistle blowing, you may send an email to whistle.blowing@hblasset.com or write to [Head of Internal Audit, HBL Asset Management Ltd.](#)

The Head of Human Resources shall be responsible for keeping this document updated from time to time. This Policy shall be subject to a formal review by head of HR on a periodic (at least once in every three years) basis and the proposals for any changes/ modifications/ amendments therein shall be submitted to the Board Audit Committee (BAC) for consideration and its further recommendation to the Board of Directors for approval.