Niger Delta Exploration and Production Plc

WHISTLE BLOWING POLICY
1ST EDITION
1. INTRODUCTION

1.1 Policy Statement

This whistle blowing policy shall be applicable to all employees of NDEP and/or any of its subsidiaries (collectively referred to as the NDEP Group). It is a fundamental term of every contract of employment entered into by NDEP or any of its subsidiaries that an employee will faithfully serve the company and not disclose confidential information about the employer’s affairs.

i. NDEP and its subsidiaries are committed to the highest standards of honesty, integrity and accountability. An important aspect of accountability and transparency is a mechanism to enable employees and other stakeholders of the Company, to voice concerns in a responsible and effective manner.

ii. An effective whistle-blowing policy would go a long way in establishing good corporate governance, which is also a key element in fraud risk management.

iii. This document thus stipulates the Whistle-Blowing Policy (‘Policy’) of NDEP Group of companies and compliance with this Policy is mandatory.

2. DEFINITIONS OF TERMS

Conflict of Interest means a situation whereby an employee has a private interest sufficient to influence the objective exercise of his/her authority in his/her official capability towards the business of the Company.

Detriment means victimization or reprisal of a whistleblower which can take any or a combination of the following forms; dismissal, termination, redundancy, undue influence, duress, withholding of benefit and/or entitlements and any other act that has negative impact on the whistleblower.

External whistle blower means a person who reports an organization's illegal, immoral, illegitimate works to someone outside the organization and/or a third party/non-employee who reports the illegal, immoral, illegitimate works within the organization to an internal or external regulatory authority.

Confidential Information means sensitive information that should not be disclosed to unauthorized persons or third parties without caution.

Employee(s) shall include Directors, permanent staff (confirmed and unconfirmed), ex-employees, consultants, contract/agency staff regardless of their status/location at the time of the on-going investigation.

Good Faith is evident when a report or concern is made without malice or consideration of personal benefit and the employee has a reasonable basis to believe that the report is true; provided, however, a report does not have to be
proven to be true to be made in good faith. Good faith is lacking when the disclosure is known to be malicious or false.

**Internal whistle** blower means an employee who reports misconduct to another person within the organization or an external party.

**Investigator** means a person or persons who conducts an Investigation by gathering and analysing information disclosed by the whistle blower to determine whether a misconduct has occurred.

**Investigation** means a process designed to gather and analyse information in order to determine whether misconduct has occurred and if so, the party or parties responsible.

**Misconduct** means a failure by an employee or other relevant stakeholder to observe the rules of conduct or standards of behaviour prescribed by the company.

**The Company** means Niger Delta Exploration & Production Plc and all its subsidiaries together making up the Niger Delta Group of Companies.

**Whistleblower** means any person including Employees, management, directors, service providers, creditors and other stakeholders of the organization who reports any form of unethical behaviour or dishonesty to the appropriate authority.

**Whistleblowing** means the act of reporting an observed/perceived unethical misconduct/danger affecting the company’s business/genuine concern related to suspected wrongdoing of employees, management, directors and other stakeholders of an institution by an employee or other person to appropriate authority. It is an early warning system that enables an organization to find out when something is going wrong in order to take necessary corrective action.

3. **OBJECTIVES**

i. This Policy is designed to enable Employees or other stakeholders of NDEP (including but not limited to NDEP’s contractors to report, through the specified channels, any perceived acts of impropriety which should not be based on mere speculations, rumors and gossip but on knowledge of facts.

ii. This policy aims to:

   a) provide for matters to be dealt with quickly and appropriately;
   b) ensure that concerns are taken seriously; and
   c) reassure employees that they will be protected from reprisals or victimization for Whistleblowing in Good Faith.

iii. Reportable misconducts covered under this Policy shall include but not be limited to any of the following

   a) All forms of financial malpractice or impropriety or fraud;
   b) Failure to comply with a legal or professional obligation or statute that impacts on the Company;
c) Any form of criminal activity;
d) Improper conduct or unethical behavior impacting the Company;
e) Leaking of confidential or proprietary information;
f) Actions detrimental to Health, Safety, Security and the Environment;
g) Unprofessional conduct and acts likely to tarnish the image of the Company;
h) Failure to comply with regulatory directives;
i) Other forms of corporate governance breaches;
j) Connected transactions;
k) Insider abuses;
l) Non-disclosure of Conflicts of Interest;
m) Breach of internal policies; and
n) Attempts to conceal any of the above.

iv. The above listed reportable misconducts or concerns are not exhaustive. However, judgment and discretion are required to determine misconduct that should be reported under this Policy. The general guide in identifying reportable misconduct is to report concerns which are repugnant to the interest of the Company and the general public.

It is pertinent to note that this Policy does not cover individual staff grievances and other employee-related matters already covered in the staff Handbook of the Company.

4. BOARD AND MANAGEMENT COMMITMENT TO THE POLICY

i. Board and Management are aware that a robust internal system for Employees and other relevant stakeholders to disclose workplace malpractices without fear of reprisal shows that Employees take their responsibilities seriously, and also and help to avoid the negative publicity that often accompany disclosures to external parties.

ii. Hence, the Board of Directors and Management of NDEP is committed towards promoting a culture of honesty, accountability and integrity, and will not tolerate any harassment, victimization or discrimination of the Whistleblower provided such disclosure is made in Good Faith with reasonable belief that what is being reported is fact.
5. ROLES AND RESPONSIBILITIES

5.1 The following are the roles and responsibilities of key parties in the Whistleblowing process:

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<th>S/N</th>
<th>Officer</th>
<th>Responsibilities</th>
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<tbody>
<tr>
<td>i.</td>
<td>Whistleblower</td>
<td>The Whistleblower is expected to act in Good Faith and should refrain from making false accusations when reporting his/her concern(s), and provide further evidence at his/her disposal to aid investigation of the issues reported.</td>
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<tr>
<td>ii</td>
<td>Head of Internal Audit and the Company Secretary ('Investigators')</td>
<td>The Investigators are expected to handle all matters with high professionalism, confidentially and promptly. They shall be independent and unbiased in carrying out their investigation. The Investigators have the responsibility of acknowledging all concern(s) reported and reporting on the progress of investigation to the Whistleblower. The Head of Internal Audit shall on a quarterly basis provide to Executive Management and the Chairman of the Company Audit Committee, a summary of all cases reported and the result of the investigation.</td>
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<td>iii</td>
<td>Head of Human Resources</td>
<td>The Head of Human resources of the Company shall communicate this policy to all existing and future employees, and shall implement the report of investigations that indict Employees in line with the laid down disciplinary procedures as contained in the NDEP’s staff Handbook.</td>
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<td>iv</td>
<td>Company Audit Committee</td>
<td>The Chairman, Company Audit Committee through the Company Secretary, shall make available to all committee members, a quarterly report submitted by the Head of Internal Audit on Whistleblowing, and also treat all Whistleblowing concern(s) brought to the attention of the Committee.</td>
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6. WHISTLING BLOWING PROCEDURE

6.1 The Whistleblowing Procedure involves steps that should be taken by the whistleblower in reporting misconduct, and steps required for the investigation of the reported misconduct.

6.2 The following procedures shall guide the whistleblowing process:

**Step 1: Raise Concern(s) by Whistleblower**

i. A Whistleblower may raise concerns by sending all relevant information to the designated e-mail address provided by the company. Only the investigators shall have access to the said e-mail address. This email shall only be accessed by the investigators or any persons designated with such responsibility who shall log the complaint in the designated register clearly indicating the name of the complainant, date and nature of the complaint, the affected person and any other information about the whistleblower that will not compromise him/her.

ii. A second e-mail address shall be designated for direct reporting to the Chairman of the Company Audit Committee where necessary, and said e-mail account shall only be accessible to the said Chairman.

Where the concerns affect either of the Investigators, a member of Executive Management, or a Director of the company is involved, such concerns shall be made directly to the Chairman of the Company Audit Committee (Chairman, CAC) through his/her designated e-mail address.

Upon receipt of the concerns/complaint, the Chairman, CAC (as the case may be) shall acknowledge receipt thereof, within three(3) working days and shall notify Managing Director or the Board (as the case may be) within the same period provided that where any member of the Board is involved, said Director shall be excluded from the notification and all future proceedings to be carried out by the Chairman, CAC in respect of the complaint.

iii. The concern(s) shall be presented in the following format;

   a) Background of the concerns (with relevant dates)
   b) Reason(s) why the Whistleblower is particularly concerned about the situation.

iv. Disciplinary measures in line with the staff Hand-Book may be taken against an internal Whistleblower who knowingly provides incorrect and/or malicious information against another employee of the company.

**Step 2: Essence of the Investigation**

The essence of any whistleblowing the investigation is as follows:

a) Establish if a wrongdoing has occurred based on the concern(s) raised, and if so to what extent; and
b) To minimize the risk of further wrongdoing, prevent any further loss of asset, damage to the group's reputation and if possible, protect all sources of evidence.

Step 3a: Investigation by the Investigators

If preliminary investigation shows that the concern falls within the whistleblowing reportable concerns, then further investigation should be carried out. If otherwise or the concern is outside the reportable misconduct, then the investigator as the case may be shall refer the matter to appropriate quarters for further action.

Finally, if the preliminary investigation finds the concerns raised to be frivolous or unwarranted, the investigators shall dismiss such complaint after having presented a report of their findings along with the recommendation for dismissal to the Managing Director. In such cases, the investigators may recommend that disciplinary action be taken against the whistleblower in accordance with the Staff Handbook on such matters.

Where the Managing Director is of the view that a more thorough investigation is required, they may refer the matter back to the investigators with their observations and request for a more comprehensive investigation.

Alternatively, the Managing Director may refer the matter upward to the Chairman, Company Audit Committee.

Step 3b: Investigation by the Chairman, CAC

If preliminary investigation shows that the concern falls within the whistleblowing reportable concerns, then further investigation should be carried out. If otherwise or the concern is outside the reportable misconduct, then the Chairman, Audit Committee as the case may be shall refer the matter to appropriate quarters for further action.

Finally, if the preliminary investigation finds the concerns raised to be frivolous or unwarranted, the Chairman shall dismiss such complaint after having presented a report of their findings along with the recommendation for dismissal to the Board. In such cases, the Chairman may recommend that disciplinary action be taken against the whistleblower in accordance with the Staff Handbook on such matters.

Where the Board is of the view that a more thorough investigation is required, they may refer the matter back to the investigators with their observations and request for a more comprehensive investigation.

Step 4: Reporting of Investigation and action on report.

Where the matter is not dismissed after the preliminary investigation, the Investigators (or the Company Audit Committee Chairman (as the case may be), shall conduct a comprehensive investigation. All efforts shall be made to ensure that the investigation is concluded within 14 days of the completion of the preliminary investigation.
Upon conclusion of investigation, the Investigator or the Chairman, Company Audit Committee, shall submit the report of the investigation to the Executive Management or the Board (as the case may be) with recommendations for further action(s).

However, quarterly reports to keep the Managing Director abreast of developments in Whistleblowing shall be submitted by Head of Internal Audit.

All disciplinary actions relating to Whistleblowing reports shall follow the Company’s disciplinary procedures as contained in the staff Handbook.

Step 5: Non-satisfaction with the result of investigation/action.

In the event of the occurrence under Step 4 that the Whistleblower is not satisfied with the extent of investigation and/or the internal actions taken based on the outcome of the investigation, the Whistleblower is at liberty to report to the Chairman of the Company Audit Committee.

Any whistleblower that feels victimized after exhausting all internal mechanisms for redress as provided in this Policy and the Staff Handbook, can report his/her grievance(s) to the Chairman, Company Audit Committee. This is without prejudice to the fundamental right of the internal whistleblower to seek redress in the court of law.

WHISTLEBLOWING BY THIRD PARTIES

All communication containing whistleblowing information and any other whistleblowing dealing with third parties (contractors/sub-contractors, consultants), shall be submitted/forwarded by the third party to the designated e-mail managed by the investigators or persons designated with such responsibility.

7. PROTECTION AND COMPENSATION FOR WHISTLE BLOWERS

i. It shall be the policy of NDEP to protect whistleblowers who disclose concerns, provided the disclosure is made;
   
   a) in the reasonable belief that it is intended to show malpractice or impropriety;
   
   b) to an appropriate person or authority; and
   
   c) In Good Faith without malice or mischief.

ii. While all disclosures resulting from whistleblowing shall be treated with an elevated level of confidentiality, employees and other relevant stakeholders are encouraged to disclose their name and designation to make the report more credible. The Company shall take the following into consideration in determining anonymous disclosures:
a) seriousness of the issues being reported;
b) the significance and credibility of the concern;
c) possible consequence of the concern issue if not immediately handled; and
d) the ability to independently verify the allegation

iii. The Company shall not subject a Whistleblower to any Detriment where a Whistleblower feels unfairly treated owing to his/her actions having exhausted all internal Company mechanisms for redress, the Whistleblower shall be at liberty to report to the appropriate regulatory body with oversight on the Company's businesses. This is without prejudice to the right to take appropriate legal action.

iv. Where necessary, compensation for Whistleblowers whether internal or external that have suffered Detriment shall be at the discretion of Management, taking into consideration regulatory guidance, if any, on compensation for Whistleblowers to be issued from time to time.

v. Any retaliation, including, but not limited to, any act of discrimination, reprisal, harassment, suspension, dismissal, demotion, vengeance or any other occupational Detriment, direct or indirect, recommended, threatened or taken against a Whistleblower because he/she has made a disclosure in accordance with this policy will be treated as gross misconduct and dealt with accordingly.

vi. Whistleblowers must ensure that they do not make disclosures outside of the prescribed channels (e.g. media-print or electronic).

vii. The Company, shall, subject to its discretion, consider appropriate reward to Employee(s) whose disclosure(s) lead to the protection of the Company's assets and reputation.

viii. In order to ensure protection for the Whistleblower, all disclosures should be made in Good Faith. The Company encourages anonymous Whistleblowing where genuine Whistleblowers provide useful information through the approved Whistleblowing channels.

ix. A Whistleblower is at liberty to disclose his/her identity but even where the identity of the Whistleblower is disclosed, such identity shall remain confidential.

x. Where the confidentiality of the Whistleblower is compromised, the Company shall do everything within its power to protect such person from any harm or victimization of any kind.
8. AWARENESS

The awareness mechanisms to be adopted for the proper implementation of the Whistle blowing policy include but not limited to:

- Distribution of Staff Handbook to all employees of the Company and trainings on whistleblowing to be organized for or attended by the employees of the company.
- Passage of regular information on whistle-blowing activities of the company by email or through other social-media avenues available to the company.
- Printing of information banners and display signages on whistleblowing in and around the company premises.
- Regular update of the Whistle-Blowing policy to incorporate evolving trends and strategies for an effective whistle-blowing process in the company.
- Adherence to laid-down procedure for determination of a misconduct arising from information derived from whistleblowing.

9. STANDARD OF PROOF

It shall not be necessary for a Whistleblower to prove that the act has occurred or would occur. A reasonable belief that the act will or has occurred is all that is required.

10. UNTRUE ALLEGATIONS

If an individual makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that individual. In making a disclosure the individual should exercise due care to ensure the accuracy of the information. If, however, an individual makes malicious or vexatious allegations, and particularly if he or she persists with making them, disciplinary action may be taken against that individual.

11. TIME LIMIT FOR INVESTIGATION

It shall be the policy of the Company to handle investigations promptly and fairly. While it might not be possible to set a specified time frame for the conclusion of investigations, since the diverse nature of potential concerns may make this impracticable, The Company shall endeavour to resolve all concerns within (4) Four weeks of the report being made. Where for any reason, proper resolution is unable to be achieved within this time frame; the Head, Internal Audit shall advice the Managing Director accordingly, and report to the Chairman, Company Audit Committee.
12. PROPRIETARY RIGHTS AND REVIEW OF THE POLICY

i. This policy document remains the property of NDEP Plc. However, its custody and management shall rest with the Head, Internal Audit Department of the company who also has oversight on the Compliance function.

ii. This Policy shall be subject to review every two (2) years from the date of operation of this policy and procedure in line with regulatory requirements as may be deemed necessary.

iii. All suggestions for review and or amendments shall be forwarded to the Head, Internal Audit or Company Secretary of the Company for necessary action. Executive Management of the Company shall ensure strict compliance with this Policy.

Approved by the Board of Directors of Niger Delta Exploration & Production Plc

Dated this 18th Day of July 2019

[Signatures]

CHAIRMAN MANAGING DIRECTOR