

Kenya Pipeline Company Ltd.



Whistle-Blower Policy (Approved, 2016)

TABLE OF CONTENTS

1.0 Introduction	1
2.0 Policy Statement	1
3.0 Objective of the Policy	2
4.0 Scope of the Policy	2
5.0 Fundamental Elements of this Policy	3
6.0 Monitoring, Evaluation and Review	10
7.0 Effective Date.....	10

1.0 Introduction

Kenya Pipeline Company Ltd, (herein after referred to as 'the Company') is committed to foster good corporate governance, and acknowledges the importance of providing a mechanism to enable all individuals to voice concerns internally in a responsible and effective manner when they discover information that they believe shows serious malpractices.

The Company recognizes the fact that:

- 1.1 Unethical conduct, fraud and corruption is detrimental to good, effective, accountable and transparent governance; and that such actions could endanger the economic stability of the Company and potentially cause social damage;
- 1.2 There is need for procedures for which employees, Board members, clients/customers, service providers and the public may, without fear of reprisal, disclose information relating to suspected or alleged unethical conduct, fraud and corruption affecting the Company;
- 1.3 The Company and every employee has a responsibility to disclose unethical conduct, fraud and corruption in the work place; and
- 1.4 The Company and its representatives have a responsibility to take all the necessary steps to ensure that all parties who disclose such information are protected from any reprisal that may result from such disclosure

2.0 Policy Statement

The Company Board, Management and staff are committed to high levels of professionalism and ethical behavior in service delivery. The Company seeks to put in place processes that could foster a culture that promotes transparency, accountability and ethical behavior in the business process.

Members of staff, Board, and other parties associated with the Company including the larger public, are encouraged to report suspected violations of laws related to ethical conduct, fraud and corruption or Company policies regulating such non-compliance.

The Company will protect anyone who makes reports on any suspected violations in good faith against any reprisal arising from such reporting.

3.0 Objective of the Policy

In line with the provisions of the Anti-Corruption and Economic Crimes Act, 2003, The Witness Protection Act 2006, requirements of the Leadership and Integrity Act 2012, the Company approved Code of Conduct 2010 & Corruption Prevention Policy 2010, the Staff Rules and Regulations, and any other policy that regulates the ethical issues, the whistleblower policy seeks to:

- 3.1 Provide internal administrative mechanisms, and approach relevant to the effective receipt and management of disclosures of suspected violations;
- 3.2 Create a culture facilitating the disclosure of information on unethical conduct, fraud and corruption in the workplace in a responsible manner;
- 3.3 Provide clear guidelines for the disclosure; and
- 3.4 Provide protection against reprisal which may result from such disclosures

4.0 Scope of the Policy

The Company has formal grievance procedures outlined in the Staff Rules and Regulations which outlines procedures which enable employees to raise grievances relating to their employment. This policy is intended to cover concerns that fall outside the scope of the grievance procedures and includes:

- 4.1 A criminal offence has been committed, is being committed or is likely to be committed;
- 4.2 A person has failed, is failing or is likely to fail to comply with any legal provisions;
- 4.3 A miscarriage of justice has occurred, is occurring or is likely to occur;

4.4 Unfair discrimination as defined in the promotion of equality

5.0 Fundamental Elements of this Policy

5.1 Types of concerns to be reported

All Directors, Managers and staff have a responsibility to report concerns. This policy deals with reporting concerns related to the following areas:

5.1.1 Financial Reporting

Examples include falsification or destruction of business or financial records; misrepresentation or suppression of financial information; non-adherence to internal financial reporting policy/controls including Management overrides; and auditor independence concerns

5.1.2 Suspected Fraudulent Activities

Examples include theft; defalcation/misappropriation; and unlawful or improper payments

5.1.3 Breaches of the Guidelines and other Compliance Policies

Examples include insider dealing; manipulation; corrupt practices including giving or receiving bribes or improper benefits; conflict of interest concerns; illegal, deceptive, or anti-competitive procurement practices; other violations of governing regulations; and non-adherence to internal compliance policies

5.1.4 Retaliation or retribution against a Whistleblower

Examples include statements, conduct or actions involving discharging, demoting, suspending, harassing, or discriminating against an individual reporting a concern in good faith in accordance with this policy

5.2 Reporting Channels

There are several channels through which all Directors, Managers and employees may report concerns under the policy. Consideration should be given to the nature of the concerns in choosing the most appropriate channel.

5.2.1 Chain of Communication

The Company has well established procedures to enable employees to escalate concerns through the chain of communication. This should be the channel of choice for most concerns, and in particular those relating to Human Resources (i.e. matters appertaining to staff issues e.g. promotion/upgrading, stagnation, favoritism in work allocation, training nomination etc.)

5.2.2 Directly to the Managing Director

Employees, Directors, or other parties may opt to report directly to the Managing Director either through email or other correspondence. This may be on an anonymous basis.

5.2.3 Directly to the Human Resources Manager

Employees, Directors, or other parties may opt to report directly to the Human Resources Manager either through email or other correspondence.

5.2.4 Directly to the Internal Audit Manager (IAM)

Concerns may be raised in writing directly to the IAM through email or other correspondence, either disclosing identity or on anonymous basis

5.2.5 Integrity Committees

The Company has set-up Integrity program whereby there are Integrity Committees based regionally, and at the Head Office. Reporting tools provided under the program include Integrity boxes and an anonymous email address report.corruption@kpc.co.ke. Plans are under-way for the Company to provide a one-way dedicated communication telephone line to serve as a hotline.

Concerns may be raised verbally, in writing or anonymously to the Integrity Committees using any of the available avenues.

5.2.6 Integrity Secretariat

Concerns may be raised directly to the Integrity Secretariat through mail, anonymous email address, telephone or in person.

5.3 Responsible Officers

5.3.1 Overview

While Section 5.2 defines the designated offices nominated as the internal governance model, the whistleblower may at their own volition make a disclosure to any Officer deemed by them to be a responsible Officer.

The Company and the Managing Director ensures the nomination of appropriate responsible Officers to take disclosures.

5.3.2 Nominated Responsible Officers

The following Officers are nominated responsible Officers:

- 5.3.2.1 The Managing Director
- 5.3.2.2 The General Manager, Human Resources & Admin
- 5.3.2.3 The Internal Audit Manager
- 5.3.2.4 The Head, Integrity and Ethics Unit
- 5.3.2.5 All Integrity Assurance Officers

5.4 Disclosure Process/Procedures

5.4.1 An employee who has good faith suspicion of a violation is encouraged to report the concern to his/her supervisor, Manager, Human Resource Manager, Internal Audit Manager, or Managing Director;

5.4.2 Any employee who is not comfortable reporting suspected violations to a supervisor, Manager, or Human Resources Manager may report the concern through the Integrity program structures, including the Integrity Officers, Integrity boxes, or confidential email.

5.4.3 Concerns by any Board member, KPC Clients/Customers, Service Providers (including suppliers, contractors, consultants) may be reported to the respective Managers in charge of the area of concern, Managing Director, or to the Chairman, Board of Directors.

5.5 Confidentiality

The Company shall endeavor at all times to protect an individual's identity when he/she raises a concern but does not wish his/her identity to be disclosed. However, the investigation process may reveal the source of the information and a statement by the whistleblower may be required as part of evidence. Where such identification is necessary, the Company shall follow the guidelines as provided in Section 65 of the Anti-Corruption and Economic Crimes Act, 2003 (ACECA 2003).

5.5.1 Identity of the whistleblower

A person to whom a willful disclosure is made must comply with confidentiality requirements as provided in the ACECA 2003, in order to protect the identity of the whistleblower.

In relation to the details of the report itself, all efforts will be made to keep the report confidential, subject to the need to conduct an adequate investigation. All documents, reports and records relating to the investigation will be confidentially stored and retained in an appropriate and secure manner.

5.5.2 Protection from Retaliation/Victimization

No Director, employee, or client who in good faith reports a violation shall suffer harassment, retaliation or adverse consequences.

A whistleblower is not expected to prove the truth of his/her allegation(s). He/she shall, however, demonstrate to the person contacted that there are sufficient grounds for concerns. A person who makes an allegation in good faith, but it is not confirmed by the investigation, shall not be reprimanded.

Any Director or employee who retaliates against someone who has reported a violation in good faith will be subject to disciplinary action.

5.6 Procedure of Handling a Concern

The action taken by the company will depend on the nature of the concern. The matter raised may be:

- i) Investigated internally;
- ii) Referred to the Board Audit Committee
- iii) Referred to the Ethics and Anti-Corruption Commission or any other relevant law enforcement agency

5.6.1 Investigation of Reported Concerns

Investigation process will vary depending on the precise nature of the conduct being investigated. All investigations must be conducted in a manner that is fair and objective to all people involved.

5.6.1.1 In order to protect the individuals concerned, as well as the Company, initial enquiries will be made to decide whether an investigation is appropriate and if so, what form it should take.

5.6.1.2 Concerns on allegations which fall within the scope of other procedures will normally be referred for consideration in accordance with those procedures

5.6.1.3 Concerns may be resolved by means of agreed action thereby negating the need for investigation

5.6.1.4 The Company shall communicate in writing with the whistleblower and in such communication: -

5.6.1.4.1 Acknowledge that the concern has been received;

5.6.1.4.2 Indicate the way in which the matter will be dealt with and whether any initial enquiries have been made;

5.6.1.4.3 Give an estimate of the time it will take to provide a final response

5.6.1.4.4 Inform him/her whether further investigations will take place and if not provide reasons for such decision

5.7 Roles and Responsibilities

5.7.1 Board of Directors

The Board of Directors shall ensure that the Managing Director implements the Whistleblower policy. Further, for concerns that have been reported to the Chairman or any other member of the Board, the Board shall give direction as to the process of establishing the facts of the concern which may be:

5.7.1.1 Directing the Managing Director to facilitate an investigation and give feedback

5.7.1.2 Appoint a Board Committee to undertake investigation and give feedback

5.7.1.3 Refer the matter to the Ethics and anti-Corruption Commission or any other relevant law enforcement agency

5.7.2 Managing Director

The Managing Director shall be responsible for:

5.7.2.1 Providing an enabling environment for the implementation of this Whistleblower Policy

5.7.2.2 Appointing Responsible Officers and outlining their mandate

5.7.2.3 Delegating responsibility to the nominated responsible Officers to ensure that all staff are aware of this policy and its objectives are being met

5.7.3 Nominated Responsible Officers

The role of the nominated responsible Officer is to:

5.7.3.1 Investigate the substance of the complaint/concern to determine whether there is evidence in support of the matter raised

- 5.7.3.2 Advise the informant of their rights and obligations
- 5.7.3.3 Not divulge the identity of the informant except insofar as is required to ensure proper investigation of the allegations
- 5.7.3.4 Ensure to the extent possible, action to protect informants from any victimization or reprisal
- 5.7.3.5 Where appropriate, conduct and/or manage any internal investigations and make an assessment
- 5.7.3.6 Where necessary, refer the matter to an appropriate body for investigations
- 5.7.3.7 Keep the informant apprised on the progress and the resultant outcome of any investigation relevant to his/her disclosure
- 5.7.3.8 Not cause any detriment/victimization to the informant on the basis of the allegations made.

5.7.4 Informant

An informant can be an employee, Manager, Director, Client, Service provider or any other person concerned with the company as general public.

The role of the informant is to provide accurate and reliable information to the responsible Officer or any other Officer he/she makes a disclosure to.

- 5.7.4.1 A whistle-blower is not expected to provide the truth of his/her allegation(s); He/she shall however, demonstrate to the person contacted that there are sufficient grounds for concern
- 5.7.4.2 An informant is expected to assist in the investigation of the concern if required

6.0 Monitoring, Evaluation and Review

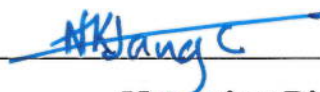
The Internal Audit Manager shall for the time being, be the custodian of this policy and responsible for its administration, revision, and interpretation.

The Integrity Secretariat shall maintain a record of all concerns raised as well as the outcome of all actions taken in a manner as not to compromise confidentiality.

7.0 Effective Date

The policy shall be reviewed biennially and appropriate changes effected.

Issued this 10th Day of May.....2016



Managing Director,

Kenya Pipeline Company Limited

Kenpipe Plaza, On Sekondi Road, Off Nanyuki Road,

Industrial Area, P.O. Box, 73442- 00200, Nairobi