

DRAFT POLICY

PESHAWAR ELECTRICITY SUPPLY COMPANY LIMITED WHISTLE BLOWER PROTECTION POLICY, 2021

1. OVERVIEW

1.1 In accordance with section 8 of the Public Interest Disclosure Act 2017 and Public Sector (Corporate Governance) Rules 2013 this whistleblower protection policy provides a mechanism for employees (the term is an inclusive term and consists of officers working in PESCO) of the Peshawar Electricity Supply Company Limited ("**company**") to raise genuine concerns regarding the affairs and operations of the company and any violations thereof by employees of the company.

1.2 As employees of the company, it is imperative that honesty, integrity, best and high professional standards of personal ethics are complied with while reporting any concerns or allegations against an employee under this policy.

1.3 This policy aims to extend protection to whistleblowers for raising genuine concerns regarding fraud, serious malpractices, corruption, incorrect or fraudulent reporting, unlawful activity, activities that are not in line with the company policies, and activities which otherwise amount to serious improper professional conduct.

1.4 This Policy does not protect bad faith allegations and instances exempted from disclosure under the Public Interest Disclosure Act of 2017.

1.5 This policy is formulated keeping in view the requirements of Public Sector (Corporate Governance) Rules 2013. This policy is not a substitute and shall not be treated as a substitute for the Conduct, Efficiency and Discipline Rules and Regulations of the company.

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2. OBJECTIVES OF THE POLICY

2.1 The aim of the policy is to foster confidence in the internal corrective mechanisms of the company and protecting the identity of the whistleblower.

2.2 The policy aims to provide a credible response forum created hereunder to deal with the allegations/concerns in a suitable manner and provide means for discrete and confidential inquiry in case of concerns raised by the whistle blower without fear of reprisal.

2.3 Every effort will be made by the company and its employees to treat the complainant's identity confidential. A whistleblower shall receive no retaliation or retribution for a concern that was raised in good faith. Harassment or victimization of the complainant for reporting concerns under this policy by any employee of the company will not be tolerated and shall be strongly dealt with by the company.

3. OPERATION OF THE POLICY

3.1 This policy comes into force with immediate effect on the date of its approval by the Board of Directors of the company. The Chief Executive Officer ("CEO") of the company may from time to time issue guidelines for the implementation of this policy and shall initiate an awareness drive for promoting the concept of whistleblowing. This Policy shall be advertised on the official website of the company and shall be made accessible to all employees of the company.

3.2 Subject to the provision of section 6 of the Public Interest Disclosure Act of 2017 complaints relating to the following are covered under the Policy:

- Conduct by an employee, which is an offence/breach of law.

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- Failure to comply with a legal obligation by an employee.
- Misuse of power by an employee of the company.
- Violation / non-compliance of company's policies or procedures.
- Unauthorized use of the assets of the company.
- Health and safety risks, including risks to the public as well as other employees.
- Damage to the environment, assets of the company and corporate image of the company.
- Fraud, corruption or incorrect financial reporting by an employee.
- Unlawful or improper use of company data by an employee.
- Actions which are unprofessional, inappropriate or conflict with a general understanding of what is right or wrong / unethical by any employee.

3.3 This policy does not cover personal grievances and career related issues like promotions, transfers, relocations, trainings etc.

4. ANONYMOUS CONCERN

4.1 The company encourages employees of the company to put their names to allegations because appropriate follow-up questions and inquiry may not be possible unless the source of the information/concern is identified.

4.2 The policy and its protection does not cover anonymous concerns/complaints.

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5. FILING CONCERNS AND DESIGNATED OFFICERS

5.1 All allegations/concerns are to be addressed to CEO of the Company. The DG (HR) and the company secretary collectively are designated officers under this policy to process the complaints.

5.2 If the allegation/concerns is with respect to the DG (HR) or the company secretary, it shall be addressed to the CEO of the company who is hereby the designated officer for processing complaint and conducting an inquiry regarding the allegation/concerns with respect to the DG (HR) or the company secretary, as the case may be.

5.3 If the allegation/concerns is with respect to CEO, it shall be addressed to the Legal and Audit Committee of the BOD which shall hereby be the designated officer for processing the complaint.

5.4 The allegation/concerns shall be reported through e-mail, fax or regular mail. Where an allegation/concern is expressed through telephone, the whistleblower shall reproduce the concern in writing so as to reach the designated officer within two working days of the initial communication failing which no action is warranted under this policy.

5.5 The employee raising a concern or making an allegation should be able to demonstrate to the designated officers that the concern was made in good faith failing which the designated officers shall communicate the failure to the CEO in writing and no further inquiry may be conducted if the CEO so directs. If the designated officer is the CEO and he believes that the concern is not in good faith he may after recording reasons in writing not conduct an inquiry and share his written reasons with the Board of Directors in its next forthcoming meeting. If the

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designated officer is the Legal and Audit committee of the Board and they believe that the concern is not in good faith they may after recording reasons in writing not conduct an inquiry and share their written reasons with the Board of Directors in its next forthcoming meeting.

6. INQUIRY

6.1 Depending upon the nature of the allegation/concern, it may be resolved without the need for an inquiry.

6.2 Where the designated officers are satisfied that there is a genuine concern which cannot be resolved without an inquiry, they shall conduct an inquiry and submit a report.

6.3 An inquiry shall only be conducted if the information is sufficiently specific and corroborated / supported with evidence. All decisions with regard to initiation of an inquiry shall be taken jointly by designated officers.

6.4 The designated officers may either undertake the inquiry themselves, or empower an officer(s) not below the rank of a [Manager] to conduct the inquiry:

Provided that in the case of empowering an officer to conduct an inquiry the prior written approval of the legal and audit committee shall be obtained:

Provided further that the name(s) of the person(s) conducting the inquiry shall remain confidential to the extent possible:

6.5 Additional information may be sought from or provided to the person reporting the concern. The inquiry shall be recorded and completed within a period

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of not more than 60 days of the receipt of the allegations/concern by the designated officer.

6.6 Upon completion of the inquiry if the designated officers are satisfied that there are sufficient reasons to justify and substantiate the allegation/concern they shall refer the matter to the CEO and in the case of CEO to the BOD who/which if satisfied with the report shall send the report along with recommendations to the concerned forum for appropriate proceedings/action according to the rules and regulations of the company.

6.7 If the CEO or the BOD, as the case may be, is not satisfied with the report submitted by the designated officer they may initiate a fresh inquiry into the allegation and thereafter send recommendations to the concerned forum for appropriate proceedings/action according to the rules and regulations of the company.

7. PROTECTION OF THE WHISTLE BLOWER

7.1 All employees of the company are protected from any victimization, harassment or disciplinary action as a result of any disclosure where the disclosure is made in good faith, without malice and not for personal gain. The identity of the person raising the concern shall be kept confidential to the extent possible.

8. BAD FAITH ALLEGATIONS

8.1 The protection accorded to a whistleblower under this policy are subject to the whistleblower's action in good faith.

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8.2 Allegations/concerns found to be false, frivolous or made in bad faith by an employee of the company shall cease the whistleblower protection envisaged under this policy to such employee of the company and lead to a disciplinary action against complainant.

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