

WHISTLEBLOWING GUIDELINE



1. INTRODUCTION

- 1.1. The National Code of Corporate Governance and the Investment and Securities Act (the "Regulations") provide that every company is required to establish a whistleblowing guideline statement and mechanism for reporting any illegal or unethical conduct.
- 1.2. Ikeja Electric (the "Company") conducts its business based on the principles of fairness, honesty, openness, decency, integrity and respect. The Company recognizes the importance of having these procedures and a facility in place whereby employees and other stakeholders can safely report instances of fraud, misconduct, illegal activities or other irregularities.
- 1.3. In compliance with the aforementioned Regulations and in line with international best practice, the Company hereby establishes a Whistleblowing Guideline ("the Guideline") which shall provide a channel for employees and other stakeholders to make reports in a confidential manner; for the Company to investigate alleged misconduct and take steps to deal with any misconduct in a manner consistent with the Guidelines, Regulations and other applicable procedures.
- 1.4. The Company is committed to a culture of zero-tolerance against fraud, bribery, corruption, misappropriation, illegal activities and unethical conduct throughout its operations.
- 1.5. The Company recognizes the fact that whistleblowing has the potential to be seen as an adverse activity as reporters are branded "betrayers", "tattlers" and "snitches". The Company views whistleblowing as a positive practice that assists the Company detect incidents of unethical conduct, fraud and illegal activities early; thus, providing the Company with the opportunity to take corrective measures against the individuals involved and limit and/or prevent possible financial and reputational damage to the Company. This will ensure that our sustainability is well protected.

2. PURPOSE

- 2.1. The intended objectives of this Guideline are:
 - 2.1.1. To ensure all employees and stakeholders feel supported in speaking up in confidence and bringing to the attention of the Company matters they suspect may involve improper, unethical or inappropriate conduct within the Company;
 - 2.1.2. To encourage all improper, unethical or inappropriate behavior to be identified and challenged at all levels of the Company;
 - 2.1.3. To provide clear processes and procedures for reporting and handling such reports;
 - 2.1.4. To proactively prevent and deter misconduct which could damage the Company's reputation;

- 2.1.5. To provide assurance that all disclosures made in good faith and without malicious intent will be taken seriously, treated as confidential and managed without fear of reprisal or retribution of any form;
- 2.1.6. To promote strict compliance with the Company's guidelines, Code of Ethics and Professional Conduct, regulatory provisions and governance business principles; and
- 2.1.7. To help promote and develop a culture of openness, accountability, fairness, transparency and integrity.

3. SCOPE & APPLICABILITY

- 3.1. The primary targets of this Guideline are all employees of the Company. The secondary target audience are other external stakeholders such as customers, electricity consumers, vendors, suppliers, contractors, consultants, business partners and agents acting on behalf of the Company, whether permanent, temporary or on contract; wherever located.
- 3.2. This Guideline does not cover employee grievances and other employee-related matters already covered in the Company employee handbook, conditions of service and/or guidelines.
- 3.3. Reportable misconducts covered under this Guideline include:
 - 3.3.1 All forms of financial malpractices or impropriety such as fraud, corruption, bribery, extortion and theft;
 - 3.3.2 Failure to comply with legal obligations, statutes, and regulatory directives;
 - 3.3.3 Actions detrimental to health and safety and/or the society and environment;
 - 3.3.4 Any form of criminal activity;
 - 3.3.5 Improper conduct or unethical behaviour; that undermines universal and core ethical values in line with the Company's Code of Ethics and Professional Conduct.
 - 3.3.6 Other forms of corporate governance and compliance breaches;
 - 3.3.7 Abuse of office and/or responsibility in connection with unauthorized activity for personal gain;
 - 3.3.8 Non-disclosure of interest;
 - 3.3.9 Any form of Conflict of Interest, in line with the Company's Disclosure of Interest Guidelines and Code of Ethics & Professional Conduct;
 - 3.3.10 Sexual or physical abuse of any employee, customer, and other relevant stakeholders;
 - 3.3.11 All forms of energy theft, meter bypass, shunting, illegal and unregistered connections to the Company's distribution network and damage of Company's infrastructure;
 - 3.3.12 Any attempt to conceal any of the above listed acts.

- 3.4. The above listed misconducts are not exhaustive. Sound judgement and discretion should be applied in determining misconduct or activity that should be reported under this Guideline.
- 3.5. This Guideline presumes that all reports will be made in good faith. Any employee and/or Third-Party partner, who knowingly or recklessly files reports or disclosures that are not in good faith may be subject to the Company's disciplinary procedures, which may lead to sanctions including termination and/or dismissal, termination of business relations and/or legal action where necessary.

4. REPORTING PROCEDURE

4.1. Employees

- 4.1.1 If any employee, in good faith, reasonably believes or has witnessed that there is a risk or that there has been misconduct on the part of the Company, an employee, director/management of the Company or a business partner of the Company, then:
 - i. The employee must first report the misconduct to his/her direct line manager;
 - ii. If the employee is hesitant to report the misconduct perhaps, because the transgressor is his/her line manager or the matter is deemed to be very sensitive, the employee can report to:
 - a. Head, Internal Audit
 - b. Head, Legal & Regulatory
 - c. GM, Human Resources & Administration
 - d. Chief Executive Officer
 - iii. Any employee who wishes to report or disclose any information regarding any misconduct contained in 3.3.1 to 3.3.12, can do so by:
 - a. Completing the form in Appendix 1 and sending it by post to any of the individuals listed in 4.1.1 (ii)
 - b. Using any of the whistle-blowing reporting channels independently managed as listed below:
 - i. Toll-free Hotlines: 0800-TIP-OFFS (0800 847 6337)
 - ii. Web Portal: www.ikejaelectric.com/whistle-blower
 - iii. E-mail: expressyourself@ikejaelectric.com
 - iv. Mobile App: Download Deloitte Tip-offs Anonymous App on Android or iOS devices
 - c. Through any other reporting channels that may be deployed by the Company, including but not limited to SMS reporting, the use of the Unstructured Supplementary Service Data (USSD) or Quick Codes and suggestion boxes.

4.2. Other Stakeholders

- 4.2.1 In the event that a customer, supplier, vendor, contractor, consultant or third party stakeholder wishes to report or disclose any information regarding any misconduct contained in 3.3.1 to 3.3.12 can do so by:

- a. Completing the form in Appendix 1 and sending it by post to any of the individuals listed in 4.1.1 (ii).
- b. Using any of the whistle-blowing reporting channels independently managed as listed below:
 - i. Toll-free Hotlines: 0800-TIP-OFFS (0800 847 6337)
 - ii. Web Portal: www.ikejaelectric.com/whistle-blower
 - iii. E-mail: expressyourself@ikejaelectric.com
 - iv. Mobile App: Download Deloitte Tip-offs Anonymous App on Android or iOS devices
- c. Where necessary, submit the form in Appendix 1 to the office of the Chairman, Audit, Risk and Governance Committee of the Board of Directors through the Company Secretary.
- d. Through any other reporting channels that may be deployed by the Company, including but not limited to SMS reporting, the use of the Unstructured Supplementary Service Data (USSD) or Quick Codes and suggestion boxes.

5. INVESTIGATIONS

- 5.1. Within two working days of the report being made, the whistle-blower will be contacted (if he/she provides contact details) to be informed of one or more of the following:
 - a. To acknowledge receipt of the report made.
 - b. The estimated time for investigations to be concluded
 - c. That we might or could require further information from the reporter to assist with the investigation
- 5.2. Upon receipt of reports sent through any of the mediums listed in 4.1 and 4.2 above, one or more actions may ensue:
 - a. The information relating to the report would be brought to the attention of the CEO. This is where the report is not about the CEO.
 - b. Where the report relates to the CEO, the information relating to the report would be brought to the attention of the Chairman of the Audit, Risk and Governance Committee.
 - c. An investigation will be carried out by Internal Audit with the support relevant departments e.g. the Vigilance, Strategy and Loss Reduction unit of the Commercial department shall provide support in cases of reports of energy theft.
 - d. The matter being referred to the police
 - e. The matter being referred to the Audit, Risk and Governance Committee
- 5.3. The purpose of the investigation is to:
 - a. establish if a wrongdoing has occurred based on the report made, and if so, to what extent; and
 - b. minimize the risk of further wrongdoing, prevent any or further loss of Company assets, damage to the Company's reputation and if possible, protect all sources of evidence.
- 5.4. Some reports may be resolved by agreed action without any need for an investigation. If any urgent action is required, this will be taken before any investigation.

- 5.5. If the report is deemed frivolous or unwarranted, such reports shall be ignored. However, if frivolous, unwarranted or malicious reports are made by an employee of the Company, the employee shall be referred to the Company's Disciplinary Committee for review of any breach in line with the Company's Disciplinary Policy.
- 5.6. During the course of an investigation that goes on for more than a week, the Head – Internal Audit shall provide a weekly update on the progress of the investigation to the whistle-blower (if his/her contact details are known). Where the report has been made through the Whistleblower Hotline, the updates will be provided by the independent contractor managing the platform.
- 5.7. Upon conclusion of an investigation by the Internal Audit team, the Head – Internal Audit shall submit a report to the Head, Legal & Regulatory and the CEO for further action. Where necessary, the Head – Internal Audit shall escalate the findings of the Board's Audit, Risk and Governance Committee.
- 5.8. Reports which fall within the scope of other policies and procedures of the Company shall be referred to the relevant department for their consideration.
- 5.9. In the event that the whistle-blower is not satisfied with the extent of the investigation, the action taken as a result and/or feels victimized, the whistle-blower is at liberty to send a report to the Chairman of the Board's Audit, Risk and Governance Committee. This is without prejudice to the whistle-blower's fundamental right to seek redress in a court of law.

6. PROTECTION OF WHISTLEBLOWERS – THE COMPANY'S ASSURANCES TO YOU

- 6.1. Protection of the Whistle-blower
 - 6.1.1 The Company undertakes to protect whistle-blowers against any detriment, reprisals, retribution and risks of job loss where:
 - a. The report was made in good faith and the whistleblower believed at the time of reporting that the information or allegation contained therein was substantially true;
 - b. The report was not made for the purposes of personal gain or malicious intent; and
 - c. The report was made in accordance with the reporting procedures prescribed in this Guideline.
 - 6.1.2 The Company will also offer reasonable protection to the whistleblower and persons living in the same household as the whistleblower, should the need arise. This will be determined and subject to the authorization of the Board Audit, Risk & Governance Committee and/or the Board of Directors.
 - 6.1.3 All acts of reprisals or retribution should be reported immediately to the Head – Internal Audit or the Head – Legal and Regulatory.
 - 6.1.4 All detriment, reprisals or retribution by any employee or director in breach of this Guideline, whether detected or reported, shall be investigated by the Internal Audit team and referred to the Company's Disciplinary Committee for the appropriate sanction to be meted out in line with the Company's Disciplinary Procedures. Where appropriate, the transgressor may be handed over to the police where such reprisal or retribution involves a criminal act.

- 6.1.5 For the purpose of this Guideline, the word "detriment" includes dismissal, termination, demotion, retirement, redundancy, undue influence, duress, withholding of benefits and/or entitlements and any other act that has a negative impact on the whistle-blower.

6.2 Confidentiality

- 6.2.1 All reports submitted through any medium will be considered confidential and will not be discussed with any individuals who do not have the required permission and/or privileges to such information.
- 6.2.2 The Company will endeavour to take all necessary precautions to protect and keep the identity of the whistle-blower confidential. Further, this is also done to protect the identity of the suspected person or persons reported who, subsequently could be found to be innocent of the wrongful conduct reported.
- 6.2.3 The confidentiality of the whistle-blower, depending on the nature of the investigation or outcome thereof, is subject to and must meet the requirements of any legal or regulatory framework in place.
- 6.2.4 The whistle-blower is also sworn to confidentiality in terms of any misconduct reported. This is necessary as any breach in confidentiality could result in reputational damage to the individual or the Company and jeopardise the investigation of the allegation received.
- 6.2.5 If the whistle-blower is an employee of the Company, the employee will be held accountable in terms of this Guideline or his/her employment contract for any breach of confidentiality relating to the disclosure of information to external parties.

6.3 Anonymity

- 6.3.1 Although we permit individuals to make anonymous reports, we highly encourage whistle-blowers to provide at the bare minimum, their name and email address and/or number. Without this information, it may be difficult to investigate the allegation, provide feedback or protect the individual from any reprisal or retribution.
- 6.3.2 The Company shall use every effort, to the extent permissible under the law, to protect the identity of any whistle-blower.

7. NON-COMPLIANCE

- 7.1 Failure to ensure compliance with this Guideline could lead to the following consequences:
- 7.1.1 Disciplinary action initiated by the Company which may lead to sanctions including dismissal; and/or
- 7.1.2 Termination of any contractual relationship by the Company for breach of this Guideline.
- 7.1.3 In addition to this Policy, employees should refer to other Company policies and standards such as:

- Code of Ethics & Professional Conduct
- Gifts and Hospitality Guideline
- Anti-Bribery and Corruption Guideline
- Disclosure of Interests Guideline
- Non-Solicitation Guideline

8. INCENTIVES FOR WHISTLEBLOWERS

- 8.1 The Company may from time to time deploy incentive programs to reward whistle blowers who make reports.
- 8.2 Each incentive program must be designed in line with this Guideline and the process for deploying such incentives shall be clearly stated in a written process document (Standard Operating Process and Procedures - SOPP) approved by the Board of Directors.
- 8.3 The maximum reward payable under all incentive programs shall be clearly defined in the applicable SOPP and shall be subject to the approval of the Board.
- 8.4 All incentive programs shall be in accordance with the Guidelines and standards listed in 7.1.3 and any other guideline and/or standard introduced from time to time and approved by the Board.

9. RESPONSIBILITY FOR THESE GUIDELINES

- 9.1 It is the responsibility of the Board of Directors to ensure compliance and implementation of this Guideline.
- 9.2 The whistleblowing mechanism shall be accorded priority and the Board of Directors shall also reaffirm continually, their support for and commitment to the protection mechanism provided by this Guideline.
- 9.3 This Guideline shall be subject to review every three (3) years or as may be deemed necessary. All suggestions for review, amendments or interpretation shall be forwarded to the Legal & Regulatory team.

APPENDIX 1

WHISTLEBLOWER REPORT FORM

Please provide the following details for any suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company and submit directly to any of the individuals or email account listed in 5.1 and 5.2 above. Please note that you may be called upon to assist in the investigation, if required.

REPORTER'S CONTACT INFORMATION (<i>OPTIONAL</i> - This section may be left blank if the reporter wants to be anonymous)		
FULL NAME		
DESIGNATION		
DEPARTMENT/UNIT		
CONTACT NUMBER(S)		
E-MAIL ADDRESS		
SUSPECT / TRANSGRESSOR'S INFORMATION (MANDATORY INFORMATION)		
FULL NAME		
DESIGNATION		
DEPARTMENT/UNIT		
CONTACT NUMBER(S)		
E-MAIL ADDRESS		
WITNESS(ES) INFORMATION (If any) (OPTIONAL INFORMATION)		
FULL NAME	WITNESS 1	WITNESS 2
DESIGNATION		
DEPARTMENT/UNIT		
CONTACT NUMBER(S) and E-MAIL ADDRESS		
COMPLAINT/REPORT (MANDATORY INFORMATION) <i>Briefly describe the misconduct / improper activity and how you know about it. Specify what, who, when, where and how. If there is more than one allegation, number each allegation</i>		

<i>and use as many sheets as necessary.</i>	
What misconduct / improper activity occurred?	
Who committed the misconduct / improper activity?	
When did it happen and when did you notice it?	
Where did it happen?	
Is there any evidence that you could provide us?*	
Are there any other parties involved other than the suspect stated above?	
Do you have any other details or information which would assist us in the investigation?	
Any other comments?	
Date:	Signature (Optional):

*Note: * - You SHOULD NOT attempt to obtain evidence for which you do not have a right of access since whistleblowers are 'reporting parties' and not 'investigators'.*

APPROVALS

	NAME	DESIGNATION	SIGNATURE	DATE
Prepared By	Abisola Oshinusi	Corporate Governance & Compliance Lead		24/04/17
Reviewed By	Babatunde Osadare	Head, Legal & Regulatory		24/4/2017
Authorized By	Anthony Youdeowei	Acting CEO		24.4.17
Approved By	Tonye Cole	Chairman – Board Audit, Risk and Governance Committee		29.4.17

REVISION HISTORY

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02	March 30,2017