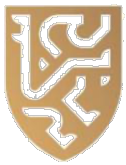




BERKSHIRE

WHISTLE BLOWING POLICY

Corporate Policy



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1. Introduction

“Whistle blowing” is when a stakeholder raises a concern about malpractice or wrongdoing within an organisation. The stakeholder raising the concern is the ‘whistle blower’. Typically, the concerns raised are high-profile and will usually concern, inter alia, incorrect reporting, health and safety issues, financial mismanagement or corruption, environmental matters, or criminal activities.

Berkshire Finance Company Limited (“**Berkshire**” or the “**Company**”) is committed to achieving the highest possible standards of service and the highest possible ethical standards in all of its practices. To achieve these ends, it encourages freedom of speech and open communication from all its stakeholders.

In developing this Whistle blowing Policy (the “**Policy**”), attention has been paid to the Code of Corporate Governance for Other Financial institutions **by the Central Bank of Nigeria (CBN) CBN Corporate Governance Code**”), which provides detailed guidance as to steps regulated entities under the Central of Nigeria (CBN)’s purview must take in order to build solid whistle blowing mechanisms within their organisations and thus enhance sound corporate practice. As a regulated company, the CBN Corporate Governance Code applies to Berkshire and steps have been taken to ensure its provisions on the subject-matter are adhered to.

Attention has been paid, additionally, to the Central Bank of Nigeria’s (the “CBN”) Guidelines for Whistle Blowing for Banks and Other Financial Institutions in Nigeria (the “Guidelines”), which require that financial institutions in Nigeria implement a whistle blowing policy to encourage stakeholders to bring unethical conduct and illegal violations Nigeria to the attention of the appropriate authority. Even though Berkshire is neither a non-bank financial institution, the Guidelines have been instructive in developing a robust framework to encourage whistle blowing when the need arises. The Guidelines define “whistle blowing” as “the reporting of alleged unethical conduct of employees, management, directors and other stakeholders of an institution by an employee or other person to appropriate authorities.” A whistle blower is “any person(s) including the employee, management, directors, depositors, service providers, creditors and other stakeholders of an institution who reports any form of unethical behaviour or dishonesty to the appropriate authority”.

A comprehensive list of conduct which could constitute unethical or dishonest behaviour is outlined in section 2 below.

2. Policy Statement

Berkshire intends, through the Policy, to promote and encourage ethical behaviour and decision making that underpins and supports Berkshire’s values in an open, fair and transparent manner and at the same time avoiding the occurrence of unethical behaviour. Berkshire is committed to fostering an environment conducive to open communication regarding the Company’s business practices and to protecting all stakeholders from unlawful retaliation and discrimination for their having properly disclosed or reported illegal or unethical conduct.

In line with these commitments, the Policy aims to provide an avenue for stakeholders to raise concerns and receive assurance that they will be protected from reprisals or victimisation for whistle blowing. This



Policy is therefore intended to provide protection for anyone who escalates concerns regarding Berkshire's activities and practices, such as:

- Unlawful activities
- Activities that contravene Berkshire's internal policies
- Failure to comply with a legal obligation or applicable regulatory directives
- Danger to health and safety
- Damage to the environment
- Improper conduct or unethical behaviour
- Insider trading and acts of collusion
- Non-disclosure of interest
- Any violation of applicable corporate governance directives
- Any attempt to cover up any of the foregoing

While there is no legislation on this subject in Nigeria, the Company aims to create a culture of openness which recognises the potential of its stakeholders to make valuable contributions to the running of the Company. Berkshire will provide support to its stakeholders who blow the whistle and act as ombudsmen. The Company, as a non-bank financial institution, is keen to incorporate international best practice into all its operations, aims to foster a transparent environment, where concerns can be raised, dealt with and resolved at local level without the whistle blowers entertaining the fear of being regarded as troublemakers.

Furthermore, Berkshire appreciates that unless there are effective procedures in place which demonstrate the willingness on its part to listen and address concerns, its stakeholders are more likely to take their concerns outside. Berkshire's Whistle blowing Policy is therefore designed to encourage its stakeholders to raise concerns about malpractice, danger and wrongdoing internally without fear of any negative repercussion.

3. Objectives of the Policy

The Policy seeks to:

- Encourage stakeholders to bring unethical conduct and illegal violations to the attention of an internal and or external authority so that action can be taken to resolve the problem.
This will minimise the Company's exposure to the damage that can occur when internal processes and controls are circumvented. It will also demonstrate to stakeholders that the Company adheres to codes of ethics, positive conduct and good governance
- Provide avenues for stakeholders to raise concerns and define a way to handle these concerns
- Enable Management to be informed at an early stage about acts of misconduct
- Re-assure stakeholders that they will be protected from punishment, retaliatory measures or unfair treatment for 'blowing the whistle' in good faith in accordance with this procedure
- Help develop a culture of transparency, accountability, and integrity
- Help foster good relations, avoid crisis management, and minimise damaging incidents and unpleasant publicity



4. Benefits

The benefits of the Policy include:

- It demonstrates Berkshire's commitment to ensuring its affairs are conducted ethically, honestly and to high standards
- It confirms the Company's commitment to a culture of openness, accountability, and integrity
- It encourages stakeholders to raise matters internally making undue wider disclosures less likely
- It is good practice
- It contributes to the efficient running of the Company and the delivery of its products and services
- It helps curb corruption, fraud and mismanagement and curtail unethical and other sharp practices
- It is a tool for upholding the reputation of the Company and maintaining public confidence
- In deserving cases as contemplated in this Policy, the Company will permit covered persons to raise concerns independently from line management
- This policy admits that stakeholders may lawfully raise concerns externally
- It helps foster good relations, avoid crisis management, and minimise damaging incidents and unpleasant publicity

5. Scope and Application of Policy

The Policy governs the reporting and investigation of improper or illegal activities at Berkshire, as well as the protection offered to the "whistle blowers". This Policy does not apply to or change the Company's policies and procedures for individual employee grievances or complaints relating to job performance, terms and conditions of employment, which will continue to be administered and reviewed by Berkshire's Human Resources function. This Policy and procedures apply to all Berkshire stakeholders.

6. Whistle Blowing Procedure

The Whistle blowing Procedure provides a mechanism for reporting any unlawful conduct and reassurance that exposing wrongdoing would not pose any risk to the whistle blower. The whistle blower should however make it clear that they are making their disclosure within the scope of the Whistle blowing Policy in order to ensure that the recipient(s) of the disclosure conduct the investigation within the ambit of the Policy and, more importantly, protect the identity of the whistle blower if required.

6.1. Internal Whistle Blowing Procedure

An internal whistle blower may raise concerns either by declaration or anonymously through any of the following:

- Formal letter to the Internal Auditor ("IA") and/or the Compliance Officer ("CO")
- Dedicated whistle blowing email: whistleblower@berkshirefinancecompany.com
- Or any other anonymous/appropriate means

Where the concern is received by staff other than the IA or CO, the staff to which the concern is directed shall be required to:



- Document and immediately forward the concern(s) to the IA and CO

Upon receipt of the concern, the IA and/or CO shall within seven (7) days of receipt of the concern from the whistle blower:

- Acknowledge receipt of the issue(s) raised
- Commence review to ascertain validity of the claim and also determine whether the concerns fall within the scope of whistle blowing or not
- Once it is determined that a claim is valid, it will be transmitted to the Audit Committee within seven (7) days, which will make a decision on same as may be applicable

The purposes of the investigation shall be to:

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

However, if the concerns affect either the IA or the CO, the Company Secretary shall be notified, and he/she will take the following steps:

- Within seven (7) days of receipt of the concern, acknowledge receipt of the issue(s) raised
- Commence review to ascertain validity of the claim and also determine whether the concerns fall within the scope of whistle blowing or not
- Once it is determined that a claim is valid, it will be transmitted to the Board Audit Committee within seven (7) days, which will make a decision on same as may be applicable

The purposes of the investigation shall be to:

- (c) Establish if a wrongdoing has occurred based on the concern(s) raised, and if so, to what extent; and
- (d) To minimise the risk of further wrongdoing, prevent any further loss of assets, damage to the reputation of the Company and if possible, protect all sources of evidence

Where the concern is about the MD/CEO, the recipient shall forward it to the Chairman of the Board immediately.

6.2. Reporting Format

The concern(s) shall be presented in the following format:

- Background of the concerns (with relevant dates)
- Reason(s) why the whistle blower is particularly concerned about the situation.
Supporting evidence for the allegations, if available, would be helpful in the investigation

6.3. External Whistle Blowing procedure

External whistle blowers are customers, Dealing Members, suppliers, service providers (or their connected parties) and other members of the public who report wrongdoing. An external whistle blower may raise concerns either by declaration or anonymously through any of the following:



- Formal letter to the MD/CEO of the Company and/or the IA and/or the CO
- Dedicated whistle blowing email: whistleblower@berkshirefinancecompany.com
- Or any other anonymous/appropriate means

Where the concern is received by staff other than the IA or CO, the staff to which the concern is directed shall be required to:

- Document and immediately forward the concern(s) to the IA and CO

Upon receipt of the concern, the IA and/or CO shall within seven (7) days of receipt of the concern from the whistle blower:

- Acknowledge receipt of the issue(s) raised
- Commence review to ascertain validity of the claim and also determine whether the concerns fall within the scope of whistle blowing or not
- Once it is determined that a claim is valid, it will be transmitted to the Board Audit Committee within seven (7) days, which will make a decision on same as may be applicable

The purposes of the investigation shall be to:

- (e) Establish if a wrongdoing has occurred based on the concern(s) raised, and if so, to what extent; and
- (f) To minimise the risk of further wrongdoing, prevent any further loss of assets, damage to the reputation of the Company and if possible, protect all sources of evidence

However, if the concerns affect either the IA or the CO, the Company Secretary shall be notified, and he/she will take the following steps:

- Within seven (7) days of receipt of the concern, acknowledge receipt of the issue(s) raised
- Commence review to ascertain validity of the claim and determine whether the concerns fall within the scope of whistle blowing or not
- Once it is determined that a claim is valid, it will be transmitted to the Board Audit Committee within seven (7) days, which will decide on same as may be applicable

The purposes of the investigation shall be to:

- (g) Establish if a wrongdoing has occurred based on the concern(s) raised, and if so, to what extent; and
- (h) To minimise the risk of further wrongdoing, prevent any further loss of assets, damage to the reputation of the Company and if possible, protect all sources of evidence

Where the concern is about the MD/CEO, the recipient shall forward it to the Chairman of the Board immediately.

6.3.1. Reporting Format

The concern(s) shall be presented in the following format:

- Background of the concerns (with relevant dates)



- Reason(s) why the whistle blower is particularly concerned about the situation.
Supporting evidence for the allegations, if available, would be helpful in the investigation

7. Confidentiality

Every effort will be made to treat the complainant's identity confidentially. A whistle blower will remain anonymous unless he or she wishes otherwise.

8. Protection for Whistle Blower

The Company has an obligation to adequately protect the whistle blower from retaliation or reprisal. Therefore, any such act against any whistle blower who in good faith reports a concern about illegal or unethical conduct will not be tolerated. The Company is also committed to maintaining confidentiality to the fullest extent possible and provides assurance that all reports will be subject to appropriate investigation and conclusion through an efficient process.

- Where an employee's employment is terminated for making a report in good faith, all rights available to him/her under Nigerian employment law shall remain preserved
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- Where a stakeholder, not being an employee, is covered by the Policy and has a contract that is terminated for whistle blowing, all contractual rights and statutory rights which accrue to him shall remain preserved

9. Reporting

The Internal Auditor shall provide the Chairman of the Board Audit Committee with a summary of cases reported and the result of the investigations regularly.

10. Wider Disclosure

A whistle blower, whether internal or external, may elect to disclose directly to the CBN or any other regulator if he or she feels the issue was not adequately resolved by Berkshire.