



NEIMETH INTERNATIONAL PHARMACEUTICALS PLC.

WHISTLEBLOWING POLICY.

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1. INTRODUCTION

Neimeth International Pharmaceuticals Plc. (Neimeth) is committed to the highest standard of ethics in all its business activities, and in compliance with S. 32 of the Code of Corporate Governance for Public Companies in Nigeria, Principle 19 of the Nigerian Code of Corporate Governance and best practice, has formulated this Whistleblowing Policy.

This Policy establishes a whistleblowing mechanism and channel for the company's employees and relevant stakeholders to raise concerns about any aspect of the company's business, and report any illegal or substantial unethical behaviour in such a confidential manner that allows the company to investigate the concern and take necessary action, in consonance with relevant regulations.

2. OBJECTIVE

The purpose of this policy is to encourage staff and other relevant stakeholders to report unethical conduct/violation of rules and regulations by employees, management, directors and other stakeholders to appropriate authorities in a confidential manner without any fear of harassment, intimidation, victimization or reprisal from anyone for raising concern(s) under this policy.

This policy also aims to encourage a culture of openness and accountability, where employees are assured that all disclosures or reports will be handled in a serious and confidential manner, and clear procedures for reporting and handling such concerns are provided, in a manner that deters conduct that will negatively impact the business of the company.

3. DEFINITION OF TERMS

- **Complaint** - An allegation or raised concern that is subject to investigation by the appropriate authority.
- **Detriment, Victimization or Reprisal of a whistle blower** - This 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 whistle blower.
- **Good Faith** - This is when a report or complaint is made without malice or consideration of personal benefit and the person making the complaint/report has a reasonable basis to believe that the report is true; provided, however that 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.
- **Malice** - wrong intent or behaviour that is intended to harm someone or his or her reputation or cause embarrassment or upset.

- **Bad faith** – Intent to deceive or lack of honesty.
- **Investigation** - 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** - Failure to observe the operating procedures, rules of conduct or standards of behaviour prescribed by an organization.
- **Defendant** - A person who is alleged to have committed a misconduct and subject of an investigation.
- **Whistle blower** - Any person(s) including employee, director, service provider, creditor and other stakeholders of an institution who reports any form of misconduct, unethical behaviour or dishonesty on the part of the Company or its staff or directors to the appropriate authority.
- **Whistleblowing** - The act of reporting an observed/perceived misconduct, unethical behaviour of employees, management, directors or other stakeholders of an organization to the appropriate authority. It is an early warning system that enables an organization to find out when something is going wrong in time to take necessary corrective action.

4. SCOPE

This policy and procedure manual is designed to enable employees and other relevant stakeholders of Neimeth report any perceived act of impropriety which should not be based on mere speculation, rumours and gossips but on knowledge of facts. Reportable misconducts covered under this policy include but are not limited to:-

- All forms of financial malpractices or impropriety such as fraud, corruption, bribery, theft and concealment;
- Failure to comply with legal obligations, statutes, and regulatory directives;
- Actions detrimental to Health and Safety or the work environment;
- Any form of criminal activity;
- Improper conduct or unethical behaviour that undermines universal and core ethical values such as integrity, respect, honesty, accountability and fairness;
- Other forms of corporate governance breaches;
- Related transactions not disclosed or reported in line with regulations;
- Insider abuse;
- Non-disclosure of interests;
- Sexual or physical abuse of staff, customers, prospective staff, service providers and other relevant stakeholders; and
- Attempt to conceal any of the above listed acts.

The above listed misconducts or concerns are not exhaustive. However, good 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.

This policy shall be read in conjunction with the X-Whistle program of the Nigeria Stock Exchange (NSE) as it may apply to Neimeth as a listed member of the NSE. This program empowers a whistle blower (an employee, an investor, a compliance officer, an Issuer, a stockbroker or any member of the public) to report possible violations of the rules and regulations of The Exchange, the securities law and fraud related to activity within the market run by The Exchange.

This policy does not cover individual staff grievances and other employee related matters already covered in the company's employee hand-book. This policy applies to all employees (whether permanent, fixed-term or temporary), and other company representatives and stakeholders.

5. POLICY STATEMENT

Neimeth shows commitment to the highest standards of openness, probity, accountability, honesty, integrity, fairness and high ethical behaviour by fostering and maintaining an environment where employees and other stakeholders can act appropriately, without fear of reprisal. To maintain these standards, the company encourages employees and relevant stakeholders who have material concerns about suspected misconduct or any breach or suspected breach of law or regulation that may adversely impact the company, to come forward and report same through laid down channels and procedure without fear of retribution or unfair treatment.

The company is committed to investigate promptly any reported misconduct and to protect those who come forward to report such activities, whilst assuming that every defendant is not liable until proven otherwise. Neimeth further assures that all reports shall be treated in strict confidence.

The best systems of controls may not provide absolute safeguards against irregularities, thus the need for this policy which is intended to investigate and take appropriate action against any reported misconduct or concern.

The Board of Directors and Management of Neimeth International Pharmaceuticals Plc. are committed to this policy, and will not tolerate any harassment, victimization or discrimination of the whistle blower, provided such disclosure is made in good faith with reasonable belief that what is being reported is fact.

6. ROLES & RESPONSIBILITIES

The following are the key parties in the whistleblowing process, and their roles and responsibilities:

- i. **Whistle blower** – A Whistle blower is expected to act in good faith and refrain from making false accusations when reporting concerns, and to provide further available evidence to aid investigation of the issues reported. Any report made must be properly documented and preferably in writing.
- ii. **Defendant** – A defendant has a duty to cooperate with investigators during the period of investigation including provision of relevant information, documents or other materials as may be required by the investigator or that may aid in proving his/her innocence.
- iii. **Investigator** (Head of Internal Audit and or members of the Internal Audit Department) - The Head of Internal Audit is expected to handle all matters with high professionalism, confidentiality and dispatch. He/she shall be independent, objective and unbiased in carrying out investigations. Every complaint shall be benchmarked against existing policies and procedures of the Company, relevant codes, rules & regulations and legislations. Other members of management may also be co-opted as deemed necessary to work with the Investigator such as the Head of Legal, Head of Compliance and others.
 - The Investigator has the responsibility of reporting all complaints made/concerns raised to the MD/CEO and reporting on the progress of the investigation.
 - The Investigator shall refrain from discussing or disclosing matters under investigation with any party other than the MD/CEO, the Whistleblower, Defendant and any other person the MD/CEO expressly authorizes him to discuss with.
- iv. **Finance and Budget/ Audit Committee of the Board** - This Committee shall receive periodic reports through the MD/CEO of investigations carried out by the Investigator and shall treat all whistleblowing concerns brought to its attention with dispatch.
- v. **Compliance Department** – shall be responsible for reviewing and updating this policy and procedure.

7. WHISTLEBLOWING PROCEDURE

This involves steps that should be taken by the whistle blower in reporting misconduct, and steps required for the investigation of the reported misconduct:

7.1 Internal Whistleblowing Procedure – The following procedure and format shall be adopted by staff in reporting misconduct:

A. Step One - Raising concerns by a Whistle blower

- i. An internal whistle blower may raise concerns through any of the following media:
 - Formal letter to the Head of Internal Audit or MD/CEO
 - Dedicated phone number: **+234 - 8163396553**
 - Dedicated email address: whistleblower@neimethplc.com.ng
- ii. Where the concern is received by a staff other than the MD/CEO or the Head of Internal Audit, the recipient (e.g. line manager) of such concerns shall be required to immediately pass the concerns to the Head of Internal Audit and copy the MD/CEO.
- iii. However, if the concerns involve the Head of Internal Audit, the report shall be made to the MD/CEO directly.
- iv. Where a director is involved, such concern shall be directed to the MD/CEO who will report as appropriate to the Finance and Budget/Audit Committee of the Board.
- v. Where the concern relates to the MD/CEO, such report shall be made to the Chairman of the Finance and Budget/Audit Committee directly.
- vi. Every concern/report shall be properly documented in writing (via e-mail, letters or text messages/WhatsApp messages) and shall clearly state the particulars of the complaint in an unambiguous manner.
- vii. The report shall include the following details:
 - Background of the concerns (with relevant dates);
 - Reason(s) why the whistle blower is particularly concerned about the situation and
 - **Relevant facts and documentary evidence if available.**
- viii. Disciplinary measures in line with the employee handbook shall be taken against any staff that receives concerns/a report and fails to escalate. Also, disciplinary measure shall be taken against an internal whistle blower who acted in bad faith.

B. Step Two - Investigation of concerns and update on progress of investigation

- i. The Head of Internal Audit shall upon receipt of the concern and where appropriate acknowledge receipt of same within 5 working days, and immediately commence investigation.
- ii. The purpose of investigation, subject to existing policies and procedures of the Company, relevant codes, rules & regulations and legislations is to:
 - Establish if a wrongdoing has occurred based on the concerns raised, and if so to what extent; and

- Minimize the risk of further wrongdoing, prevent any further loss of assets and damage to the company's reputation, and if possible protect all sources of evidence.
- iii. If preliminary investigation shows that the concern falls within the whistleblowing reportable concerns, then further investigation shall be carried out.
- iv. At this point, the defendant shall be informed in writing and in clear terms of the report involving him/her and provided with evidence if any. The defendant shall in turn respond in writing and provide counter evidence if any.
- v. In the event that the concern is outside the reportable misconduct or that which is envisaged under this policy, then the Head of Internal Audit shall refer the matter to appropriate quarters for further action.
- vi. If the concern raised by the whistle blower is thought to be frivolous or unwarranted, the Head of Internal Audit shall document such concerns all the same and the basis for arriving at his/her conclusion.
- vii. Necessary disciplinary measure in line with Human Resources policy shall apply to staff that raise concerns confirmed to be in bad faith.

C. Step Three - Report of investigation and action on report

- i. Upon conclusion of investigation, the Head of Internal Audit shall submit a written report to the MD/CEO for further action.
- ii. Where the allegations against a defendant are found to be unsubstantiated at the conclusion of the investigation, same should be communicated to the defendant in writing.
- iii. Necessary disciplinary actions relating to the report shall follow the disciplinary procedure as contained in the employee hand book.

D. Step Four - Non satisfaction with result of investigation/action-

- i. In the event that the whistle blower is not satisfied with the extent of investigation and or the action taken based on the outcome of the investigation, the whistle blower is at liberty to make a report directly to the Chairman of Finance and Budget/Audit Committee of the Board.
- ii. Any internal whistle blower that feels victimized can report his/her grievance(s) to the MD/CEO and escalate to the Chairman of the Finance and Budget/Audit Committee if need be.
- iii. Any defendant that feels dissatisfied with the outcome of an investigation or feels victimized following the conclusion of any investigation may make a report to the Finance and Budget /Audit Committee through the established channel. This is however

without prejudice to the fundamental right of the defendant to seek redress in a competent court of law.

7.2. External Whistleblowing Procedure - External whistle blowers are non-staff of the company, who may fall into any of these categories: contractors, service providers, shareholders, analysts, consultants, job applicants and the general public.

The external whistleblowing procedure is largely the same with that of the internal procedure, particularly as it relates to the procedure for raising concerns.

However, if the concerns relate to an external party (service provider), Neimeth may, following due investigation take whatever action it deems appropriate in the circumstance. In the same vein, an external whistle blower shall be at liberty to report to the appropriate regulatory authority if not satisfied with the action taken to address his/her concern.

8. INVESTIGATION TIME LINE

It is the policy of the company to handle investigations promptly and as fairly as possible. While it might not be possible or practicable to set a specified time frame for the conclusion of investigation, due to the diverse nature of potential concerns, the Head, Internal Audit shall endeavour to resolve all concerns within four weeks. Where for any reason, proper resolution is unachievable within this time frame; the Head, Internal Audit shall advise the MD/CEO accordingly.

9. PROTECTION AND COMPENSATION FOR WHISTLEBLOWERS

It is the policy of Neimeth to protect whistle blowers who disclose concerns, provided the disclosure is made:

- with the reasonable belief that it is intended to expose malpractice or impropriety;
- to an appropriate person or authority; and
- In good faith without malice or mischief.

While all disclosures resulting from whistleblowing shall be treated with high level of confidentiality, and may be made anonymously, staff and other relevant stakeholders are encouraged to disclose their names in order to make the report more credible. The company shall take the following into consideration in considering disclosure:

- seriousness of the issues being reported;
- the significance and credibility of the concern; and
- the possibility of confirming the allegation.

The company shall not subject a whistle blower to any detriment. Where a whistle blower feels unfairly treated owing to his/her actions, the whistle blower shall be at liberty to report as appropriate to any other regulatory body with oversight on the company's business.

Where necessary, compensation of whistle blowers whether internal or external shall be at the discretion of management and the Board, taking into consideration regulatory guidance on compensation of whistle blowers to be issued from time to time.

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 whistle blower because he/she has made a disclosure in accordance with this policy will be treated as gross misconduct and dealt with accordingly.

Whistle blowers shall ensure that they do not make disclosures outside of the prescribed channels or their disclosures may not be protected.

10. NIGERIAN STOCK EXCHANGE (NSE) X-WHISTLE PORTAL

Neimeth International Pharmaceuticals Plc. as a listed entity on the Nigerian Stock Exchange shall be subject to the regulation of the NSE X-Whistle. This policy and procedure manual shall be read in conjunction with the NSE X-Whistle policy guidelines.

The various concerns or disclosures which fall within the NSE X-Whistle blowing are:

- market abuse;
- financial fraud; and
- undeclared conflict of interest

Anyone with information about a violation or potential violation of any rule, regulation or law guiding the capital market can use the NSE X-Whistle.

Further information on the operation of the NSE X-Whistleblowing guideline should be directed to; x-whistle@nse.com.ng or contact 01-4489373 and 08120160463. All disclosures made to the NSE X-Whistle portal will be handled in line with laid down procedures.

11. FURTHER DISCLOSURE

A whistle blower whether internal or external may elect to disclose directly to any of the following regulatory bodies that have oversights on the activities of the Company.

- I. Securities and Exchange Commission(SEC)

SEC Towers, Plot 272, Samuel Adesujo Ademulegun Street, Central Business District P.M.B:315 Garki Abuja. Phone:+234 (0) 94621159 email: sec@sec.gov.ng

- II. National Pension Commission(PENCOM)
Plot 174, Adetokunbo Ademola Crescent, Wuse, Abuja, Nigeria.
info@pencom.gov.ng +234 - 9 - 4603930
- III. Nigerian Stock Exchange(NSE)
Stock Exchange House 2/4, Custom Street, P. O. Box 2457 Marina, Lagos
01-4489373, 0817243061, 081206463, x-whistle@nse.com.ng

12. ESTABLISHING A STRONG WHISTLE BLOWING REGIME

While regulation and best practice in corporate governance require entities irrespective of size and location to have a whistleblowing policy, Neimeth believes more needs to be done to create a culture in which employees are genuinely encouraged to disclose unethical behaviours, and thus has adopted the following measures:

- a. **Board and Management's support and commitment** - The Board and Management support this policy, and this includes dedicating a senior management staff preferably the Head of Audit as the advocate for whistle-blowing, who shall also be authorized to implement and undertake investigation.
- b. **Communication & Training**
All employees should be aware of the existence of the whistleblowing policy and procedure. This can be achieved through regular compulsory training by the Compliance Department, newsletters and emails. Annual declaration by all staff of having read and understood the policy shall also be encouraged.
- c. **Proper Investigation and Action**
All whistleblowing disclosures or concerns must be investigated promptly, properly and confidentially, and appropriate action taken upon conclusion of investigation.
- d. **Feedback on effectiveness of policy.**
Survey on the effectiveness of the policy should be conducted at regular interval preferably by the Compliance Department. Questions to gauge employee satisfaction shall include:
 - Have you read the whistleblowing policy?
 - If yes, when last did you read the policy?
 - Do you know who to contact to make disclosure?

- Do you feel you work in an open environment in which you are encouraged to speak up and you can safely voice any concerns without fear of reprisal?
- What would you change about how the policy operates?

13. AMENDMENT/REVIEW

Neimeth reserves the right to amend/review this policy every three (3) years, or any earlier period as the need may arise, subject to the approval of the Board Chairman and to communicate any amendment.

All suggestions for review and or amendments shall be forwarded to the Compliance Department for necessary action.

Approved by the Board of Neimeth International Pharmaceuticals Plc. on the 5th day of December 2019.

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CHAIRMAN, BOARD OF DIRECTORS.

- Do you feel you work in an open environment in which you are encouraged to speak up and you can safely voice any concerns without fear of reprisal?
- What would you change about how the policy operates?

13. AMENDMENT/REVIEW

Neimeth reserves the right to amend/review this policy every three (3) years, or any earlier period as the need may arise. The Management review and recommend to Corporate Governance/Compliance Committee who after review recommend to the Board for Approval.

All suggestions for review and or amendments shall be forwarded to the Compliance Department for necessary action.

Approved by the Board of Neimeth International Pharmaceuticals Plc. on the 5th day of December 2019.



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CHAIRMAN, BOARD OF DIRECTORS.