

HABIB INSURANCE COMPANY LIMITED

WHISTLE BLOWING POLICY

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1.0 Scope

Habib Insurance Company Limited requires all employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. They must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws, regulations, policies, and instructions issued from time to time.

This Policy outlines a process to enable employees and outside parties to report their knowledge or suspicions about any unethical, illegal, fraudulent, improper, or unauthorized activity within the Company. This process is intended to be used for serious and sensitive matters. It is not meant for employment-related grievances, which should continue to be routed through normal channels. It is also not meant for business-related complaints, which should continue to be routed to Grievance Function at Head Office, Karachi.

2.0 Internal Audit Function

Internal Audit Function at Head Office, Karachi, is responsible for investigating the “Whistle Blowing” reports submitted in terms of this Policy by staff members or outside parties. Internal Audit Function is an independent unit, reporting directly to the Audit Committee. Internal Audit Function will submit a quarterly summary of the reports received by it and action taken thereon to the Audit Committee of the Board.

3.0 Procedures/ Communication Channels for Lodgment of Complaints

(a) Duty to Report

If an employee knows, believes, or suspects that any unethical, illegal, fraudulent, improper, or unauthorized activities (hereinafter called “Violations”), including any violations of the Company’s Code of Conduct, are being carried out in any Branch, or Office of the Company, it is their duty to report such violations or suspected violations in accordance with this Policy. Failure to report such violations will be viewed as a serious disciplinary offense.

Outside parties, such as shareholders, vendors, customers, etc., should also report, in accordance with this Policy, their concerns relating to any Violations noted by them during the course of their dealings with the Company.

(b) Where to Report

In line with the Company’s commitment to open communication, the employees may share their concerns and suspicions with their immediate supervisor. However, if the employees are not comfortable speaking with the immediate supervisor, or is not satisfied with the supervisor’s response, or suspects the supervisor’s involvement in the Violation, he must report the matter immediately to Internal Audit Function at Head Office, Karachi.

Names, telephone numbers, and email addresses of relevant officers at Internal Audit Function will be advised via Instruction Circulars issued from time to time. Employees may report verbally in person or by telephone, or in writing by email or letter

Customers and other outside parties dealing with the Company should report their concerns or Violations, as defined above, to the immediate supervisor of the Company's employee(s) with whom they have been dealing, or to the respective Departmental Head at the Head Office of the Company. However, if they are not satisfied with the response they receive, they should report the matter to Internal Audit Function at Head Office, Karachi.

(c) **What to Report**

The report should contain sufficient information to permit adequate investigation. At a minimum, the following information should be included:

- Name and contact number of the reporting employee/party.
- Description of nature of the Violation, with sufficient detail to permit an investigation.
- Names of employees and other individuals involved or suspected to be involved in the Violation.

4.0 **Complaint Handling Procedure**

All reports received pursuant to this Policy will be promptly investigated by Internal Audit Function and appropriate corrective action will be recommended by the Head of Internal Audit to the Audit Committee, if warranted by the investigation. In addition, action taken may include a final meeting with the reporting employee/party for complete closure of the matter.

5.0 **Confidentiality**

Reports of Violations or suspected Violations will be kept confidential, consistent with the need to conduct an adequate investigation.

Identities of employees and outside parties reporting in good faith will also be kept confidential, and any disclosure thereof will be viewed as a serious disciplinary offense.

6.0 **Protection of Reporting Employees/ Outside Parties**

Employees and outside parties who, in good faith, report a Violation or suspected Violation will be fully protected against any harassment, retaliation, or adverse employment/business consequences. Moreover, any officer who retaliates against or victimizes such employees will be subject to disciplinary action.

Employees and outside parties whose reports result in early detection of a Violation or prevention of potential losses will receive a letter of thanks/appreciation from the Company. Employees will also receive due recognition at the time of annual performance review.

7.0 **Acting in Good Faith/Action Against Deliberately False Reports**

Employees and outside parties reporting a Violation must act in good faith, without any malicious intent towards any individual or the Company, and should have reasonable grounds to believe or suspect that a Violation has occurred. However, the reporting employee/ party will not have to prove the Violation.

Deliberately false reports will attract disciplinary or legal action against the reporting employee/party.

8.0 **Reporting Requirements**

Internal Audit Function will submit a quarterly summary of the reports received by it and action taken thereon to the Audit Committee of the Board.

9.0 **Communication**

This Policy should be communicated to all employees individually and their written acknowledgement obtained to confirm that they have read and understood its contents. Provisions regarding Duty to Report, Acting in Good Faith, Confidentiality, and Protection of Reporting Employees/Parties should be emphasized to all employees. Supervising officers should be specially made aware of prohibition against harassment and victimization of reporting employees/parties.

An appropriate notice relating to this Policy will be placed on the Head Office and Branch Notice Boards for the information of outside parties such as shareholders, vendors, customers, etc.