CPF

Fulfilling Lives

CPF SAFE REPORTING POLICY

JUNE 2020

Revision Table

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DEFINITIONS OF TERMS

1. Safe reporting Policy

Safe reporting policy provides procedures for reporting any unethical conduct either on the part of management or by the employees.

2. Adverse Personnel Action

An employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the employee's terms of employment, including but not limited to compensation, salary increment, promotion, job location, job profile, immunities, leaves and training or other privileges.

3. Alleged Wrongful Conduct

Alleged Wrongful Conduct shall include, but not be limited to, any suspected violation of law, breach of the CPF Code of Conduct or ethics policies, mismanagement, misappropriation of monies, actual or suspected fraud, theft or embezzlement, or substantial and specific danger to public health and safety or abuse of office.

4. Good Faith

An employee/stakeholder shall be deemed to be safe reporting in good faith if his disclosure reasonably demonstrates that unethical and improper practices or any other alleged wrongful conduct occurred within the Group. Good Faith shall be negated if he or she fails to demonstrate personal knowledge of the facts which he or she alleges to constitute the Alleged Wrongful Conduct or where the employee knew or is reasonably expected to have known that the reporting is untrue, malicious, frivolous or vexatious.

5. Managerial Personnel

Managerial Personnel shall include the Group Managing Director (GMD), all persons at the level of Manager and above, whether acting or not who have authority to make or materially influence significant personnel decisions.

6. Policy or This Policy

Policy or this Policy means the "Safe Reporting Policy."

7. Unethical and Improper Practices

Unethical and improper practices shall include –

a) An act which does not conform to approved standard of social and professional behavior;
b) An act which leads to unethical business practices;
c) Breach of etiquette or morally offensive behavior; and
d) Any others that may be defined from time to time in relation to the law and other established ethics forums.

8. Reporter/Safe Reporter

A reporter/safe reporter is an employee or stakeholder who discloses in good faith unethical & improper practices or alleged wrongful conduct to an authority in writing or via official hotline. They are hereinafter referred to as reporters.

9. Anti- Bribery Act

CPF group stakeholders shall be guided by the Anti-bribery Act of 2016, which was enacted and enforced on 13th January 2017 by parliament. This will guide the company when dealing with bribery offences i.e. prevention, investigation and punishment of bribery. The bribery offences include giving or receiving a bribe,

10. Fraud

This is a wrongful or criminal deception intended to result in financial or personal gain.

1.0 INTRODUCTION

A whistle blower (safe reporter) is one who reveals unethical conduct, professional misconduct, unprofessional conduct and other wrongdoing within the CPF Group to those in positions of authority in the CPF Group or in other circumstances to such public authorities as provided for under this Policy.

Safe reporting therefore is an act whereby an employee or stakeholder discloses to the public or someone in authority any illegal act or omission, unethical conduct, professional misconduct, and other wrong doing including but not limited to fraud, embezzlement of company property, theft, abuse of office, breach of any health and safety law *(hereinafter collectively called "Alleged Wrongful Conduct")* either on the part of management, employees or by stakeholders within the organization.

It is appreciated that employees may not express their concerns over any Wrongful Conduct for fear that by so doing; they may be seen as being disloyal to their colleagues, their managers or the Company and may also fear retaliation or victimization.

The CPF Group therefore assures all employees and stakeholders as well of protection of all safe reporters from any intimidation, profiling, vilification, victimization, or discrimination and encourages its employees not to ignore any Alleged Wrongful Conduct which they may witness, or suspect to be occurring, during the conduct of their official duties within the CPF Group. It is noteworthy that the Reporters are protected under the Witnesses Protection Act, 2010 Laws of Kenya. In addition to the safeguards provided for under the Witness Protection Act, this Policy is designed to protect any employee or stakeholder who, acting in good faith, reports information about the activities CPF Group or those of any of its staff or officers which might be considered as fraudulent, unethical or corrupt through the reporting structures contained in this Policy.

PURPOSE

This safe reporting Policy is intended to foster a culture of openness, accountability and integrity within CPF Group. The policy also intends to provide employees and stakeholders with avenues of safe reporting whilst giving them assurance of protection against victimization in the event that they report in good faith and in accordance with the provisions of this policy.

The policy also purposes to create formal mechanisms of dealing with safe reporting and to ensure a professional approach is adopted in all regards of the safe reporting process. In regards to this the policy establishes various structures to be implemented within CPF Group by the management in responding to safe reports.

Whereas all matters relating to fraud and corruption are separately covered by Group's Fraud Prevention Policy, any complaints of fraud and /or corruption shall be reported in the manner provided for under this Policy and the Group Communication Policy, though the same shall be handled in accordance with the Group's Fraud Prevention Policy.

2.0 SCOPE OF THE POLICY

2.1 This policy applies to all employees of the CPF Group, including permanent and temporary staff, directors and Trustees. The policy by extension applies to all stakeholders of the Group who may wish to safe report on unethical conduct that they may come across.

2.2 Aims and Scope of this Policy

This policy aims to:

i. Encourage employees or stakeholders to raise serious concerns on questionable acts or omissions that may constitute Alleged Wrongful Conduct or Unethical/Improper Conduct about the activities of CPF Group, internal & external customers i.e. contractors, suppliers, service providers or employees.
ii. Provide avenues for employees or stakeholders to raise those concerns and receive feedback on any action taken in outmost confidentiality.
iii. Ensure that employees or stakeholders receive a response to their raised concerns and that they are aware of how to pursue them if they are not satisfied.
iv. Assure employees or stakeholders of protection from any reprisals, intimidation, profiling, vilification, victimization, or discrimination. Should they reasonably form an impression that any unethical or improper conduct is or has been committed they should proceed to report the same in accordance with this Policy without fear of victimization

Whilst appreciating that there exists procedures to enable an employee or an external client lodge a grievance at the point of interaction with CPF group, the procedures under this Policy are intended to cover the following areas of major concern:–

i. Violation of the Kenya law
ii. Suspected fraud or corruption - the unauthorized use or misuse of public funds;
iii. Violation of any constitutional Right

iv. Disregard for legislation e.g. Public Officers Ethics Act 2003, the Public Procurement and Asset Disposal Act, 2015, Companies Act, 2015, Retirement Benefits Act, 1997, Insurance Act, 2015, Bribery Act, 2016, Kenya Information and Communication Act and Estate Agency Act. A criminal offence is, has or is likely to be committed

v. breach of the CPF group code of conduct and rules and regulations that will be enacted from time to time

vi. Failure to comply to CPF group Trust deeds and rules and Service Level agreements

vii. Conflict of interest Situations

viii. Breach of the standing financial rules and regulations

ix. Favoritism over any financial and contractual matter or to a job applicant

x. Concealment or destruction of evidence

xi. Health and safety risks, including risks to the public as well as other employees;

xii. Other unethical conduct.

3.0 RESPONSIBILITIES

3.1 All reporters have a responsibility to ensure that the best possible standards of care are achieved and to act in accordance with their professional codes of conduct. Reporters are advised to;

a) Raise any concerns or report to an appropriate authority as provided for in this policy, any unethical or improper conduct.

b) Raise such concerns or make such reports in good faith;

(c) Ensure that any complaint is factual as opposed to speculative and should contain as much information as possible to allow for proper assessment.

d) Not to raise any concerns or make any reports that are motivated by spite malice and which are not supported by any material facts or which in any way the reporter knows or has reason to believe that the same is untrue.

3.2 Reporters may report suspected cases of fraud and corruption to any of the following:

a) Section Managers/Supervisors
b) Heads of Directorate/Division/Departments/Subsidiary
c) Feedback boxes located in each floors and in the washrooms
d) Head of Internal Audit
e) Ethics Officers (EOs)
f) Ethics Committee (EC)
g) Group Managing Director
h) LAPTRUST Board of Trustees
i) Board of Directors of holding company or subsidiaries
j) Investigation and Enforcement Section

3.3 A reporter may choose to make an anonymous report in which event his or her anonymity shall be maintained by any of the officers listed in clause 3.2 and the reporter may report through the confidential reporting mechanisms including the hotline and the Feedback Boxes.

3.4 Heads of Departments, investigators or whoever receives the information have a duty to:

a) Treat concerns in a confidential manner;
b) Take the reported concerns seriously;
c) Consider them carefully and undertake a preliminary investigation;
d) Understand the difficult position a member of staff may be in;
e) Seek appropriate advice where necessary;
f) Take appropriate action to resolve the concern or refer it on to an appropriate person

g) Keep the member of staff informed of the progress;

h) Monitor and review the situation;

i) Inform their seniors; and

j) Ensure that individuals who genuinely report concerns are not penalized in any way. Any victimization of such individuals may lead to serious disciplinary offence which will be dealt with under the disciplinary rules.

3.5 Persons accused have a duty to cooperate with investigators. The identity of the accused shall remain confidential.

3.6 All investigators shall be independent and unbiased both in fact and appearance. They shall handle all matters seriously, confidentially and promptly.

3.7 The Investigating Officer(s) shall have free and unrestricted access to all records of the Group and shall have the authority to examine, obtain or make copies of all or any portion of the contents of documents, files, desks, cabinets, and other storage facilities of the Group so far as it is necessary to assist in the investigation of the Improper Conduct.

3.8 All participants in the investigations shall have a duty to fully cooperate with the investigators. Participants should refrain from discussing or disclosing matters concerning the investigations with any other party (s) whether internally or externally.

4.0 SAFEGUARDS

4.1 Harassment or Victimization

(1) The CPF Group shall not tolerate any harassment or victimization (including informal pressures) and shall take appropriate action to protect a Reporter when the Reporter raise a concern and files reports in accordance with this Policy in good faith. Stern disciplinary action shall be meted out against any member of staff who may be found to be victimizing or harassing safe reporters in any way. Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary or redundancy procedures that already affect a Reporter.

(2) The CPF Group recognizes the importance of raising concerns and assures staff of support and confidentiality during the investigation process. It will not tolerate any harassment or victimization and will protect a Reporter if the Reporter raises concerns and files reports in good faith. Where it's concluded that false or malicious allegations have been made it may be necessary to take action under disciplinary procedures against the complainant.

(3) The CPF Group shall not retaliate or allow any retaliation intimidation, profiling, vilification, victimization, or discrimination whatsoever by any employee(s) against any employee who submitted a complaint in good faith. Specifically, will not discharge, demote, suspend, threaten, harass or in any other manner discriminate or retaliate against any employee who lawfully provides information to the authorities regarding any conduct which the employee reasonably believes constitutes a violation of Anti-Fraud Laws or participates in or otherwise assists with a proceeding relating to such potential violations by employees.

4.2 Confidentiality

(1) The CPF Group shall at all material times endeavor to protect the confidentiality of all matters raised by concerned employees. In case of any

breach of confidentiality by any of the officers named in **3.2**, the employee raising concern can take the appropriate action under grievance procedures.

(2) All concerns shall be treated in confidence and every reasonable effort shall be expended to ensure that the identity of a Reporter is not revealed unless the reporter authorizes otherwise.

(3) Should disciplinary or other proceedings follow the investigation and no action may be taken as a result of the Reporter's disclosure, without whose assistance no action may be taken to remedy the situation, the Reporter may be requested to testify as a witness. If the Reporter agrees to testify, the reporter shall be offered the necessary advice and support and protection.

(4) The CPF Group shall protect a Reporter's identity when the reporter raises any concerns or make any reports and do not wish to have their name disclosed. The Reporter will be protected from distress and shall not be forced to adduce evidence in the presence of the person against whom the allegations are being made, wherever possible. However, during the investigation, the source of the information may be revealed and the Reporter may be required to provide a statement or come forward as a formal witness.

4.3 Anonymous Allegations

(1) This policy encourages the Reporter to place their name in the written statement containing their allegation whenever possible.

(2) Any concerns or reports made anonymously shall be treated with caution and may only be considered at the discretion of the Group Managing Director/the Chairperson of the Ethics Committee. In exercising this discretion, the following factors are to be taken into account:-

a) The seriousness of the issues raised;
b) The credibility of the concern; and
c) The likelihood of confirming the allegation from reliable source(s).

5.0 FALSE ALLEGATIONS

5.1 If a Reporter makes an allegation in good faith but it is not confirmed by the investigation, no prejudicial action shall be taken against him/her. However, if an employee makes an allegation knowing or having reason to believe that the same is untrue or if he or she is motivated by malice or desire to earn personal gain, disciplinary action may be taken against the employee.

5.2 In an extreme case, legal action may be taken against a Reporter who makes malicious, frivolous and/or vexatious, or wild allegations which may be extremely injurious to the person/s against whom the complaint is made.

5.3 An employee who knowingly makes false allegations may be subjected to disciplinary action, up to and including termination of employment, in accordance with the applicable policies and procedures. Further, this policy may not be used as a defense by an employee against whom an adverse personnel action has been taken independent of any disclosure of information by him and for legitimate reasons or cause under CPF procedures and policies.

5.4 Clauses 5.1-5.3 will not apply when it can be proven that the Reporter reported under duress. The company reserves the right to revoke protection provided for under this policy in the foregoing circumstances.

6.0 PROCEDURES FOR RAISING A CONCERN

6.1 A Reporter may raise any concerns or make reports orally, (i.e. face to face or over the phone) or in writing. Should the reporter choose to write, he or she shall mark the envelope ***"personal, private and confidential"*** and if the concern is of a serious nature personally deliver the written concerns or report to the person who the Reporter wishes to report to. If Reporter wishes to discuss the matter orally, he or she shall indicate that fact in the concerns or reports.

The report may be addressed to any of the following:

The Group Managing Director;

Email Address: feedback@cpf.or.ke

or

The Chairman Audit Committee;

Email Address: ethicscommittee@cpf.or.ke

Mobile Phone No: 0780146928 or 0797146928 .Calls to this numbers will be treated with confidentiality.

Suggestion boxes: located on Mezzanine, 1st floor, 2nd floor & 7th floor

6.2 A reporter is encouraged to provide as much information as is reasonably possible and the report shall endeavor to answer the following questions:-

a) What actions or omissions are you complaining about?
b) Where did the actions or omissions complained against occur?
c) When did the actions or omissions complained against occur?
d) How did the actions or omissions specified in (a) above arise and who is responsible?
e) What are the consequences of the actions specified in (a) above to the Clients, or the CPF Group or to any member of staff?
f) What is the estimated monetary loss associated with the act or omission complained against?
g) Is there any evidence whether oral or documentary in support of the allegation?
h) Have you taken any other action to corrective measure to remedy the situation and to protect the CPF Group or the Client(s) or the member(s) of staff? What was the outcome?

6.3 The person(s) receiving the concerns will be required to investigate the allegations thoroughly. The Reporter will receive an initial response within ten working days, including details of any further action to be taken and full written response within seven working days of completion of the investigation where appropriate. These time scales may be extended, if necessary, by mutual agreement.

6.4 The Reporter (s) are hereby informed that the earlier the concerns are expressed or reports made, the easier it will be to take the necessary action and the damage caused would be mitigated. The reporter is at liberty to raise the matter jointly if there is another employee that has the same concern and who will support the Reporter's allegations.

6.5 Although the Reporter shall not in any way be expected to prove beyond reasonable doubt the truth of an allegation, the reporter shall be required to demonstrate that reasonable grounds of the concern or the report.

6.7 The Reporter may be advised to invite a colleague or another person to be present during any meetings or interviews in connection with the concern raised. In this case, the Reporter may remain anonymous when the concern is first raised but may be involved personally and afforded the necessary protection should it be considered necessary that the Reporter tenders the evidence personally.

How to Raise Concerns

Where the reporter has concerns about malpractice and it is not appropriate to raise them through other procedures, such as grievance procedures, the reporter should raise them with an appropriate person. Who the reporter raises concerns with will depend on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. For example, if the reporter believes that a manager is involved, he/she should approach the Head of Internal Audit, or other Ethics committee members. Concerns may be raised verbally or in writing. Those who wish to make a written report are invited to use the following format:

- The background and history of the concern (giving relevant dates)
- The reason why the reporter is particularly concerned about the situation

The earlier the reporter expresses their concern the easier it is to take action. The reporter is not expected to prove beyond doubt the truth of an

allegation but will need to demonstrate to the person contacted that there are reasonable grounds for the concern.

The reporter may obtain advice and guidance on how to pursue matters of concern from the Head of Human Resources, the Legal Department or any other senior manager of his choice. They may wish to discuss their concern with a colleague or may find it easier to raise an issue if there is more than one person who has had a similar experience or concern. The reporter may invite a professional association representative or colleague to attend any meetings or interviews in connection with the concerns raised.

7.0 HOW TO RESPOND TO ALLEGATIONS

7.1 Upon receipt of a Reporter's concerns, CPF Group shall respond to the concerns in writing and it will be necessary to investigate your concerns but this is not the same as either accepting or rejecting them. Within 3 working days of a concern being raised, you will be sent a written response:

- Acknowledging that the concern has been received;
- Indicating how we propose to deal with this matter;
- Giving an estimate of how long it will take to provide a final response;
- Telling you whether any enquiries have been made; and
- Supply you with information on staff support mechanisms.

7.2 In order to protect individuals and those about whom concerns are raised, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example, Occupational Health and Safety or discrimination issues) will normally be referred for consideration under those procedures.

7.3 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required this will be taken before any investigation is conducted

7.4 The amount of contact between the individual considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the investigating officers, will seek further information from you.

7.5 Where any meeting is arranged, and this can be off-site if you so wish, you can be accompanied by a professional association representative or a friend.

7.6 CPF Group will take steps to minimize any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, CPF Group will arrange for you to receive advice about the procedure. The Group accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

One of those named in 3.2 will first decide whether to carry out an investigation and determine which procedures are appropriate to use.

7.7 If it is decided that the matter should be taken further under these procedures the concern will be:

1. Investigated by the Group Head of Internal Audit
2. Referred to the Police (Investigation and Enforcement Department)
3. Referred to the External Auditor
4. The subject of an independent inquiry

You may be interviewed by the person investigating the matter.

7.8 TIME SCALES

Action	Timescale	By Who
Written acknowledgement of disclosure in writing or if received verbally, include an outline of process to be followed.	Within 10 working days	Person who receives the disclosure – **the receiving manager**
Confirm in writing to the person complained of that a disclosure has been received and that it is being considered. Outline the process to be followed.	Within 10 working days	Person who receives the disclosure – **the receiving manager**
Confirmation of whether the matter is to be investigated, and if so, how it will be investigated. Letters sent to employee and person complained of.	Within four weeks of receipt of disclosure	Person appointed to investigate – **the investigating manager**
Written confirmation of outcome of investigation and action to be taken. Report sent to the Group Head of Legal. The Group Head of Legal considers recommendations and determines what action to take. Letters sent to employee and person complained of.	Within three months of receipt of disclosure	Person appointed to investigate – **the investigating manager**
Appeal against outcome of investigation	Within five working days from receipt of outcome	Employee who makes the disclosure
Appeal carried out	Within one month of appeal	Manager appointed to hear the appeal
Appeal to Group Managing Director/CEO	Within five working days from receipt of outcome	Employee subject to the disclosure

Wherever possible, you will be told of the final outcome of any investigation.

8.0 APPEAL

8.1 This policy is intended to provide you with an avenue **within** CPF Group to raise concerns. CPF Group hopes you will be satisfied with any action taken. If you are not satisfied with the outcome of your confidential report you can write to the Group Managing Director and ask for the investigation and outcome to be reviewed. If you remain dissatisfied, and you feel it is right to take the matter outside of CPF Group, you may wish to take advice from your legal counsel, any of the external agencies listed in paragraph **8.6** below, or your legal advisor on the options that are available to you.

8.2 One possibility is that you may wish to rely on your rights under the Witness Protection Act 2010. This Act gives you protection from victimization if you make certain disclosure of information in the public interest. The provisions are quite complex and include a list of prescribed persons outside CPF Group who can be contacted in certain circumstances. You should seek advice on the effect of the Act from the persons referred to above.

8.3 If you take the matter outside CPF Group, you should ensure that you do not disclose information where you owe a duty of confidentiality to persons other than (e.g. service users) or where you would commit an offence by making disclosure. In order to ensure that you do not make any such disclosures you may want to check the position with the Legal Department.

8.4 An employee who raises a concern and is not satisfied with the outcome or action proposed may appeal against the decision to a more senior manager within the CPF Group. An appeal should be made to the Group Managing Director within five days of receipt of the outcome letter.

8.5 The Group Managing Director, in consultation with the Group Risk and Compliance Manager will determine who should hear the appeal. The appeal should be completed within one month.

8.6 After the appeal process is exhausted, there is no further right of internal appeal. However, if the employee remains dissatisfied they may raise the matter further by contacting an outside agency, for example:

a) The Kenya National Audit Office (KENAO).
b) A relevant professional or regulatory body recognized by law.
c) Ethics & Anti-Corruption Commission (EACC).
d) Criminal Investigation Department (CID).
e) Ministry of Devolution and Planning.
f) Commission on Administrative Justice.

8.7 An employee who is subject to action arising from a safe reporting disclosure will be able to make representations, within five working days, to the Group Managing Director about the outcome of the report. The Group Managing Director will consider these representations and may direct further investigation or review as appropriate. This procedure is meant to give everyone an effective way to raise a concern within (if possible resolve it internally). However, if the employee is still unhappy after using the procedure (and getting a final written response) he/she are entitled to consider taking their concern externally as in **8.6** above.

9.0 THE CONTACT PERSON

9.1 Group Managing Director shall nominate the **"Contact Person"** for the purposes of maintenance and operation of this policy.

9.2 The person nominated shall have investigative skills most preferably a Certified Fraud Examiner (CFE) or equivalent.

10.0 RECORD RETENTION AND MONITORING

10.1 Records of (all written statements along with the results) any investigations relating thereto shall be kept on a separate secured file in the office of the Group Head of Internal Audit for seven years or such other period

as specified by law or any other in force whichever is more. It is illegal and against Policy to destroy any audit records that may be subject to or related to an investigation. This procedure is subject to monitoring and shall be reviewed by the Audit Committee.

10.2 The Contact Person shall maintain a corporate register containing all concerns that are brought to his/her attention. All officers allocated to look into a concern must ensure the Contact Person is provided with sufficient details for the corporate register. The Contact Person will review the corporate register and produce an annual report for the Group Managing Director and the Ethics Committee. The report will include a summary of the concerns raised, to which department they related, the post to which the concerns related (if not confidential) and any lessons learned. The report will not include any employee names. The aim of this is to ensure that:

A. CPF Group and/or the relevant department learn from past mishaps and do not repeat them, and consistency of approach across the departments or sections must be maintained.

B. The corporate register together with the annual reports will be available for inspection by internal and external auditors, after removing any confidential details.

10.3 In order for the policy to be sustainable, it will be supported by a structured education, communication and awareness program as part of the Group's fraud risk management strategy.

11.0 APPROVAL

Chairperson, Ethics Committee: _____ Date: 29/6/2020

Group Managing Director: _____ Date: 29-06-2020

Chairman,
Audit, Risk & Governance Committee: _____ Date: 8th July 2020

Chairman, Board of Directors: _____ Date: 10/7/2020

Appendix 1 – CPF Group Ethics Committee Terms of Reference

1.0 Preliminaries

The CPF Group is committed to ensure that integrity, one of the CPF Group core values, is maintained by its staff a commitment which ultimately translates to sound business practices and business ethics within the Group. The employees of the CPF Group must therefore practice the required standard of ethical standards in their daily official duties and must avoid any unethical conduct such as corrupt practices, fraud, abuses of office and such other unethical conduct.

In order to proactively detect and remedy any acts of omission and commission designed to orchestrate corruption, fraud or abuse of office, the CPF Group constituted the CPF Group Ethics Committee to implement the Whistle Blowing Policy.

2.0 Responsibilities of the Committee

The CPF Group Ethics Committee shall discharge the following duties and responsibilities:

2.1 To receive complaints and corruption reports, consider and review them and initiate the investigation process to those cases to ensure that all concerns raised will be treated fairly and properly;

2.2 To deliberate on the ongoing investigations, and put in place such strategies as may be necessary to enhance prevention of corruption and breach of ethics at the CPF Group;

2.3 To advise and make recommendations to the Management and the Board regarding to guidelines for disciplinary action and initiating criminal prosecution and/or civil action in the event of abuse of office, fraud, and such other unethical conduct.

2.4 To collect, analyze and report to the Management and the Board regarding all potentially serious Fraud and (whistleblower) investigations, the outcome of such investigations, the nature and severity of the

incidents, their consequences to the CPF Group, measures taken to prevent reoccurrence, remedial and disciplinary actions taken and finally the general trends in the number and type of incidents;

2.5 Continuously maintain the existing whistleblowing facilities, structures and mechanisms to support whistleblowing within the CPF Group;

2.6 Ensure the protection of whistleblowers at the Group;

2.7 Enhancing integrity and ethical behavior and preventing fraud throughout The CPF Group operations and monitoring compliance thereof and promote a culture of ethical behavior at the Group through capacity building and awareness program; and

2.8 In liaison office with GMD's Office, work closely with any external agencies that may be involved in any investigation process.

2.9 To advise and make recommendations to the Management and the Board on any mitigation of fraud risks and such other preventive measures to be taken, where necessary, after analyzing the patterns of behavior encountered after an investigation is performed;

3.0 Membership of the CPF Group Ethics Committee

The Committee shall consist of the following eleven Members:

i. Chairperson
ii. Senior Auditor
iii. Legal Officer
iv. Senior Human Resources Officer
v. Compliance & Monitoring Officer – Secretary
vi. Manager, Customer Experience
vii. An Officer representing Pension Services
viii. An officer representing Branch Networks
ix. An officer representing LASER
x. An officer representing LITES
xi. An officer representing LIB

The Committee may choose to involve other officers and staff of the CPF Group and any external experts as may be necessary to advice on and assist with special cases and issues as may arise.

4.0 Meetings of the CPF Group Ethics Committee

4.1 The Committee shall hold quarterly meetings.

4.2 Without prejudice to the foregoing, the Group Risk and Compliance Manager in cases of extreme urgency require the Committee to meet to deliberate on such urgent matters.

4.3 Minutes of the Committee meetings shall be taken and filed after approval by the Committee.

5.0 Confidentiality

The Membership of the CPF Ethics Committee shall be required to preserve the confidentiality of information that becomes available to them in the course of their work and shall protect the privacy of individuals that shall come under investigation and must refrain from using such confidential information for improper purposes or disclosing them to any unauthorized persons.

6.0 Annual assessment of Terms of Reference

The Group Risk and Compliance Manager in conjunction with the CPF Group Ethics Committee shall periodically review and assess the adequacy of these Terms of Reference and recommend changes as may be required and shall such changes shall be submitted to the Group Managing Director for approval.

Appendix 2 – The Role of the Investigating Officer (s)

The investigating Officer(s) shall have the following responsibilities to:

1. Arrange individual interviews with relevant witnesses or individuals and inform them of their right to be accompanied at the meeting by a work colleague of their choice.
2. Establish the facts/obtain statements/collect documentary evidence.
3. Maintain detailed records of the investigation process.
4. Make any recommendations for action to be submitted to a more senior manager or the Group Managing Director.

The investigating officer(s) shall have the following responsibilities towards the employee who raised the disclosure:

1. Hold a formal meeting with the employee making the complainant to discuss the matter.
2. Inform them of their right to be accompanied at any interview by a work colleague.
3. Keep the employee up to date with progress on the matter and agree timescales for action.
4. Notify the employee making the disclosure about the outcome of the investigation, including how the matter will be dealt with and whether they will be required to attend an investigatory interview.
5. Give details of employee support mechanisms available.

The investigating manager will have the following responsibilities towards the employee against whom the disclosure is raised:

1. Inform the individual/individuals about whom the disclosure is made in writing of the disclosure, the seriousness of the allegations and provide any supporting evidence.
2. Advise in writing of the procedure to be followed.

3. Give the person the opportunity to respond in person and in writing to the claims made, and receive and consider any relevant evidence.
4. Inform them of their right to be accompanied at any interview by a work colleague.
5. Give details of employee support mechanisms available.
6. The investigating manager may also be required to act as witness at any subsequent disciplinary hearing if required.
7. Where necessary the CPF Group will provide support, counseling or mediation to any staff subject to investigation in order to ensure normal working relationships are resumed as effectively as possible.

The manager appointed to hear an appeal will have the following responsibilities:

1. Hold appeal meeting with employee who made the disclosure.
2. Ensure all parties are informed of their right to be accompanied at any meetings by a work colleague.
3. Review the investigation report/procedure followed and findings.
4. Decide whether to uphold appeal or not.
5. Initiate a new investigation if necessary.
6. Report the appeal findings in writing to the Group Managing Director, if applicable.
7. Communicate outcome in writing to the employee making the disclosure and the employee against whom the disclosure is made.

Appendix 3 – Whistle Blower 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 Ethics Committee members. Please note that you may be called upon to assist in the investigation, if required.

Note: Please follow the guidelines as laid out in the Safe Reporting Policy.

REPORTER'S CONTACT INFORMATION *(This section may be left blank if the reporter wants to be anonymous)*	
NAME / BADGE NO.	
DESIGNATION	
DEPARTMENT/OPERATION	
CONTACT NUMBERS	
E-MAIL ADDRESS	
ACCUSED INFORMATION	
NAME / BADGE NO.	
DESIGNATION	
DEPARTMENT/OPERATION	
CONTACT NUMBERS	
E-MAIL ADDRESS	

WITNESS(ES) INFORMATION *(If any)*			
NAME		NAME	
DESIGNATION		DESIGNATION	
DEPARTMENT		DEPARTMENT	
CONTACT NUMBERS		CONTACT NUMBERS	
E-MAIL ADDRESS		E-MAIL ADDRESS	
ALLEGATION NO.		ALLEGATION NO.	

COMPLAINT: *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 and use as many pages as necessary.*	
1. What misconduct / improper activity occurred?	
2. Who committed the misconduct / improper activity?	
3. When did it happen and when did you notice it?	
4. Where did it happen?	
5. Is there any evidence that you could provide us?*	
6. Are there any other parties involved other than the suspect stated above?	
7. Do you have any other details or information which would assist us in the investigation?	
8. 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 safe reporters are 'reporting parties' and NOT 'investigators'.

For Ethics Committee Use	***Report No.***
Received By	Received On:
	Acknowledgement Sent On:
Investigation Required (Yes / No)? *(If no, please state the reason)*	
Investigation Done By:	
Investigation Results:	
Action Taken / Conclusion:	
Reported to Ethics Committee Chairman on:	
Signed Off by:	