



PEOPLE'S LEASING & FINANCE PLC

WHISTLEBLOWER PROTECTION POLICY

Classification: Internal

Owner: Risk & Control Department

Effective Date: February 2016

Last reviewed date: February 2024

PEOPLE'S LEASING & FINANCE PLC

WHISTLEBLOWER PROTECTION POLICY

1 PURPOSE

- 1.1 As a public limited liability company, **PEOPLE'S LEASING & FINANCE PLC** (hereinafter referred to as "**the Company**") recognizes and honors their responsibility to the shareholders for the stewardship of the Company assets and resources. The Company is committed to comply with the laws and regulations to which they are subject, and to establish Company policies and procedures to interpret and apply those laws and regulations to all of the Company operations.
- 1.2 The Company's system of internal controls and operating procedures are designed to detect and prevent or deter, any improper or illegal activities or unethical practices, within the company.

2 PREAMBLE

- 2.1 In an effort to further strengthen the aforesaid internal controls and safeguards, this policy is formulated to provide an opportunity for employees of the company to notify in good faith to the Audit Committee, of any improper or illegal activity within the company or any adherence to unethical practices by the Company in the conduct of the business of the company.
- 2.2 This Whistleblower Protection Policy governs:
 - a) the procedure for reporting and investigation of allegedly improper or illegal activities or unethical practices in the Company; and
 - b) the protection afforded to the whistleblowers.
- 2.3 This Policy however, does not apply to or infringe on the Company's disciplinary and administrative policies and procedures, applicable to individual employees relating to their functions, duties and obligations, terms and conditions of employment and discipline, which will continue to be administered and reviewed by the Human Resources Division

3 APPLICABILITY

- 3.1 This policy applies to all employees of the Company.

4 POLICY

- 4.1 The whistleblower shall be protected from any possible harassment or victimization, arising out of any disclosures made under this Policy.
- 4.2 Every effort will be made to treat the whistleblower's identity with appropriate degree of confidentiality.
- 4.3 In the event, the information provided by the whistleblower leads to the detection of any improper or illegal activity or unethical practice within the company, the whistleblower will be accordingly rewarded.
- 4.4 Allegations made by any employee lacking in good faith may result in disciplinary action against him/her, not excluding resorting to any other legal means against him/her, to protect the reputation of the organization and members of the Board of Directors and staff.

5 PROCEDURE

Reporting & Maintenance of Confidentiality

- 5.1 A whistleblower who observes or notices any improper or illegal activity or unethical practices in the Company or receives credible information of the same, may forthwith report the same to the Audit Committee through the email confidential@plc.lk . Should the whistleblower so reporting be willing to disclose his identity, he may disclose his/her identity in the body of the email being sent to the Audit committee.
- 5.2 Conversely, should any employee be unwilling to use the electronic mail media, he or she may alternatively disclose the facts through a letter duly addressed to the "Chairman of the Board Audit Committee, People's Leasing & Finance PLC, 1161, Maradana Road, Borella, Colombo-08".
- 5.3 This policy encourages the whistleblower to disclose their identity as appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Information disclosed anonymously will be investigated appropriately, but consideration will be given to:
 - a) The seriousness of the issue raised;
 - b) The credibility of the concern; and
 - c) The likelihood of confirming the allegation from attributable sources.
- 5.4 The anonymity of the whistleblower restricts the Audit Committee's ability to establish the authenticity of the disclosure received through the information channels declared above and disclosure of the identity of the whistleblower is highly recommended.

- 5.5 The above electronic mail addresses are set up on the intranet at the company and it is secured in such a way that the identification details of the whistleblower cannot in any manner be compromised.
- 5.6 The Audit Committee and/or any person acting under a mandate given by the Audit Committee to investigate any information provided by the whistleblower, shall make all effort to keep confidential the identity of the whistleblower and all information received by them from the whistleblower shall be disclosed to any other person strictly on a “need to know” basis.

Investigation

- 5.7 Upon the disclosures made in the manner provided above to the audit Committee or to the postal mail address given in section 5.2 above, the Chairman of the Audit Committee shall forward the information to the Audit Committee. The Audit Committee shall appropriately and expeditiously investigate all information so received.
- 5.8 The Audit Committee, either refer the whistleblowing complaint to head of internal audit or if the circumstances so warrant, may appoint a senior executive or a committee of managerial personnel to investigate into the information received from a whistleblower and prescribe in writing the scope and time limit for such investigation. The Audit Committee shall outline a detailed procedure for an investigation, as they see fit.
- 5.9 Where the Audit Committee has designated a senior executive or a committee of managerial personnel to conduct an investigation, they shall strictly adhere to the scope and procedure outlined by Audit Committee. The Audit Committee or officer or committee of managerial personnel, as the case may be, shall have right to call for any information/document and examination of any employee of the Company or other person(s), as they may deem appropriate for the purpose of conducting investigation under this policy. The provisions of the Investigation procedure defined in the Internal Audit manual Section “N”. The Investigation Procedure shall be followed unless otherwise this policy is defined as the procedure to be followed.
- 5.10 A report shall be prepared after the completion of an investigation by the person(s) who conducted the investigation and the Audit Committee shall consider the same and make the appropriate recommendations in writing and forward the investigation report and the recommendations to the Board of Directors for necessary action if needed.
- 5.11 The Board of Directors shall independently consider the investigation report and the recommendations of the Audit Committee and take appropriate action consistent with the recommendations of the Audit Committee. However, the Board of Directors may at their discretion amend and/or vary and/or reject and/or substitute, the recommendations of the Audit Committee, provided that reasons are recorded at the Board Meeting for such variation/amendment/rejection/substitution of the recommendations of the Audit Committee.
- 5.12 Maintaining records- the secretary to the audit committee shall ensure that all the complaints

received by the audit committee serially numbered and recorded. Such records should be marked as “strictly confidential” and kept under the custody of the secretary to the audit committee.

5.13 Audit Committee may –

5.13.1 Recommend to the Board of Directors to reprimand, take disciplinary action, and impose any penalty/punishment, on any employee who has engaged in any improper or illegal activity or unethical practice during the course of his employment in the company not excluding a recommendation to institute legal action against the wrongdoer.

5.13.2 Recommend the termination of or suspension of or reversal of any transaction and/or contract and/or arrangement and/or undertaking, originated by and/or based on any improper or illegal activity or unethical practice disclosed at such investigation.

5.13.3 Recommend a reward to the whistleblower.

6 Reporting

6.1.1 Events reported under Whistleblower or absence of any reported events must be reported to the Board Audit Committee every quarter.

7 Protection to the Whistleblower

7.1 Any whistleblower subject to harassment or victimization in consequent to any disclosures made to the Audit Committee, may forward forthwith, a complaint to the audit committee, setting out the details of the grievance.

7.2 The Audit Committee shall promptly investigate such complaint and recommend in writing to the company, the appropriate relief to be granted to the whistleblower and such recommendation shall be implemented forthwith within two weeks of the date of such recommendation by the Audit Committee.

8 Roles, Rights and Responsibilities of the Whistleblowers

8.1 Whistleblowers shall provide the initial information on the reasonable belief that improper or illegal activity or unethical practices have occurred. The whistleblower has a responsibility to be specific and factual and provide all information known to him/her, regarding any reported allegations.

8.2 All employees of the Company have a duty to cooperate fully with investigations initiated under this Policy.

8.3 Whistleblowers are "reporting parties," not investigators. They are not to act on their own in conducting any investigations, nor do they have a right to participate in any investigative activities.

- 8.4 Whistleblowers have a right in the event of disclosure the identity, to be informed of the final outcome of their disclosure after the conclusion of the investigation.
- 8.5 Legal protection shall be made available to whistleblowers who lawfully disclose information about fraudulent activities within their company.

9 Notification of the Policy

- 9.1 A copy of this policy document together with translations thereof in Sinhala and Tamil language shall be made available at the Head Office, all Departments and all Branch Offices of the Company. In the event of any inconsistency between the Sinhala Tamil and English translation of this policy, the English translation shall prevail.
- 9.2 The Departmental Heads and Branch Managers are required to ensure that all employees in their respective Departments and Branches have been made aware of the existence and contents of this policy (including the amendments thereto, if any) and the acknowledgment of the employees should be secured in confirmation that they have read and understood the policy including the amendments thereto (if any).
- 9.3 The information related to the whistleblower protection policy is included in the LMS.

10 Definitions

10.1 Harassment received by the whistleblower due to his/her report under this policy

Harassment shall include any kind of abuse, mistreatment, exploitation, hurt, injury, persecution, discrimination, maltreatment, intimidation, threat, restriction, confinement, bullying, humiliation, degrading treatment, ragging, offensive behavior, injury or damage caused physically and/or verbally, and/or physiologically, and/or sexually which when submission or rejection of this conduct explicitly or implicitly affects the whistleblower's employment or wellbeing or unreasonably interferes with the whistleblower's work performance or creates an intimidation, hostile or offensive work environment.

10.2 Audit Committee

Audit Committee shall mean a sub Committee of Board of Directors of the Company, constituted in accordance with provisions of Section 8.(2) of corporate governance direction, No 05 of 2021 issued by the Central Bank of Sri Lanka for Licensed Finance Companies.

10.3 Good Faith

A whistleblower shall be deemed to be communicating in 'good faith' if there is a reasonable basis for the allegations and disclosures communicated by him/her to the Audit Committee. Good Faith shall be deemed lacking when the whistleblower does not have personal

knowledge of the factual basis on which the allegation of improper or illegal activity or unethical practices are made or where the whistleblower knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

10.4 Improper or illegal activity

- a) Unlawful activities that are not in line with the company policy including the Code of Business Conduct or
- b) Any act which is in violation of rules, regulations and lawful practices of the Company;
- c) Any act of an employee committed during the course of his employment which is contrary to law; Shall be deemed an improper or illegal activity as applicable;

10.5 Unethical Practices

Unethical practices shall mean an act which leads to unethical business practices as determined by a reasonable man;

10.6 Policy or This Policy

Policy or This Policy means, “Whistle Blower Protection Policy.”

10.7 Victimization

Unwarranted singling out of the whistleblower for subjection to exploitation, tort, unfair treatment, or other wrong.

10.8 Whistleblower

An employee of the Company who discloses in good faith any improper or illegal activity or unethical practices to the Audit Committee.

11 General

11.1 This policy shall be effective and operative with immediate effect.

11.2 Board of Directors on the recommendation of the Audit Committee of the Company has the power to amend/ alter/vary/suspend/terminate this policy at its discretion.

12 Review of the Policy

This policy shall be reviewed annually or earlier date as deem necessary.