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## Whistleblowing Policy

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## 1. INTRODUCTION

In a bid to ensure high ethical standards in all its business activities, FMDQ Holdings PLC and its subsidiary companies: FMDQ Clear Limited, FMDQ Depository Limited, FMDQ Private Markets Limited and iQx Consult Limited; (together referred to as FMDQ Group or FMDQ) have established a code of conduct which set out the standard of conduct expected in the management of FMDQ business. All stakeholders are expected to comply with these standards in the discharge of their duties. In furtherance of this, FMDQ Whistleblowing Policy provides a channel for employees and other relevant stakeholders to raise concerns about workplace malpractices, potential misconduct or irregularities in a confidential manner; for FMDQ to investigate these alleged malpractices, misconduct or irregularities and take steps to deal with such in a manner consistent with applicable policies and relevant regulations.

Whistleblowing for the purpose of this policy is the act of reporting perceived unethical conduct of employees, management, directors, and other stakeholders by an employee or other persons to appropriate authorities. The stakeholder reporting the perceived unethical conduct is the '**whistleblower**'. 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.

In developing this Whistle blowing Policy (the "**Policy**"), attention has been paid to the *Code of Corporate Governance 2014* issued by the Securities and Exchange Commission (SEC) (the "**SEC Corporate Governance Code**"), which provides detailed guidance as to steps public companies in Nigeria must take in order to build solid whistle blowing mechanisms within their organisations and thus enhance sound corporate practice. As a public company, the SEC Corporate Governance Code applies to FMDQ 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 in Nigeria to the attention of the appropriate authority. Even though FMDQ is neither a bank nor a financial institution, the Guidelines have been instructive in developing a robust framework to encourage whistle blowing when the need arises, given that FMDQ Group, through FMDQ Securities Exchange Limited, which operates as a self-regulatory organisation (SRO), is tasked with organising a market populated by Dealing Members who are financial institutions. 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 whistleblower 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".

## 2. OBJECTIVES OF THE POLICY

This policy is intended to encourage staff and other relevant stakeholders to report perceived unethical or illegal conduct of employees, Management, Directors and other stakeholders across FMDQ Group to appropriate authorities in a confidential manner without any fear of harassment, intimidation, victimisation or reprisal of anyone for raising concern(s) under this policy. Specific objectives of the policy are 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 FMDQ Group’s exposure to the damage that can occur when internal processes and controls are circumvented. It will also demonstrate to stakeholders that FMDQ Group 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

### **3. SCOPE AND APPLICATION OF POLICY**

This Policy governs the reporting and investigation of improper or illegal activities in FMDQ Group, as well as the protection offered to the “whistleblower”.

The Policy and its procedures apply to all FMDQ stakeholders. Reportable misconducts covered under this policy include:-

- All forms of financial malpractices or impropriety such as fraud, corruption, bribery, theft and concealment
- Activities that contravene FMDQ Group’s internal policies
- 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 behavior that undermines universal and core ethical values such as integrity, respect, honesty, accountability and fairness
- Other forms of corporate governance breaches
- Connected transactions not disclosed or reported in line with regulations
- Insider trading and acts of collusion
- Non-disclosure of interests
- Sexual or physical abuse of employees, FMDQ clients, service providers and other relevant stakeholders and
- Attempt to conceal any of the above listed acts

This Policy **does not** apply to or change the FMDQ Group’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 FMDQ Group’s Human Resources function

### **4. BOARD AND MANAGEMENT COMMITMENT TO THE POLICY**

The Board of Directors and Management of FMDQ are aware that a robust internal system for employees and other relevant stakeholders to disclose workplace malpractices without fear of reprisal shows that employees take their responsibilities seriously, and also helps to avoid the negative publicity that often accompanies disclosures to external parties.



The Board of Directors and Management are therefore committed towards promoting a culture of openness, accountability, and integrity, and will not tolerate any harassment, victimisation or discrimination of the whistleblower provided such disclosure is made in good faith and with reasonable belief that what is being reported is fact.

## **5. POLICY STATEMENT**

FMDQ Group is committed to the highest standards of openness, probity, accountability and high ethical behaviour by helping to foster and maintain an environment where employees and other stakeholders can act appropriately, without fear of reprisal. To maintain these standards, FMDQ Group 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 them through appropriate channels; whether openly or anonymously, without fear of retribution or unfair treatment.

FMDQ Group conducts its business on the principles of fairness, honesty, openness, decency, integrity and respect. It is the intention of this policy to encourage employees and other relevant stakeholders to report and disclose improper or illegal practices or activities. FMDQ is committed to investigating promptly any reported misconduct and to protect those who come forward to report such activities. FMDQ further assures that all reports shall be treated in strict confidence.

## **6. BENEFITS**

The benefits of this Policy includes the following:

- It demonstrates FMDQ's commitment to ensuring its affairs are conducted ethically, honestly and to high standards
- It confirms the FMDQ Group'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 FMDQ Group and the delivery of its products and services
- It helps curb corruption, fraud and mismanagement and curtails unethical and other sharp practices
- It is a tool for upholding the reputation of FMDQ Group and maintaining public confidence
- In deserving cases as contemplated in this Policy, FMDQ Group 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

## 7. ROLES & RESPONSIBILITIES

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

S/N	Responsible Officer	Alternate	Responsibilities
1.	Whistleblower	N/A <sup>1</sup>	Whistleblowers are expected to act in good faith and should refrain from making false accusations when reporting their concern(s). They are also expected to provide further evidence at their disposal to aid investigation of the issues reported
2.	Alleged Wrongdoer	N/A	An alleged wrongdoer has a duty to cooperate during the period of investigation including provision of relevant information, documents or other materials as may be required by the investigator
3.	Divisional Head,, Internal Audit	Head, Legal and Company Secretariat	<p>The Head, Internal Audit Division is expected to handle all matters with high professionalism, confidentially and promptly. He/She shall be independent and unbiased in carrying out investigation. The Head, Internal Audit Division (<i>or the alternate in his/her absence</i>) has the responsibility of acknowledging all concern(s) reported within forty-eight (48) hours. He shall, on a quarterly basis provide to the Chairman of the Audit Committee, a summary of all cases reported and the result of the investigation for all tips related to the FMDQ Group whilst a corresponding report shall be submitted to the respective Chairmean of the Audit Committees of each FMDQ entity for all tips related to the subsidiaries</p> <p>Where the allegation relates to financial benchmarks administered by FMDQ, a final report will also be communicated to the Chairman of the Board Listings, Markets and Technology Committee (BLMTC) of FMDQ Securities Exchange Limited</p> <p>In addition, the Head, Internal Audit Division is expected to periodically review, update and obtain the necessary approvals for this Whistleblowing Policy</p>

<sup>1</sup> N/A: Not Applicable

S/N	Responsible Officer	Alternate	Responsibilities
4.	<b>Divisional Head, Human Resources</b>	Group Head, Talent Management	The Divisional Head, Human Resources shall handle any investigation that relates to FMDQ's employees in line with the laid down staff disciplinary policy and procedure as contained in the staff hand book
5.	<b>Audit Committee or Board Listings and Markets Committee (BLAMC)</b>	N/A	<p>The Chairman of the Audit Committee/Board Audit Committee(s), through the Company Secretary, shall make available to all committee members quarterly report submitted by the Divisional Head, Internal Audit on whistleblowing, and also treat all whistleblowing concern(s) brought to the attention of the committee with dispatch</p> <p>Where the concerns relate to financial benchmarks administered by FMDQ Securities Exchange Limited, the Chairman of BLAMC shall, through the Company Secretary, make available to all committee members, quarterly report submitted by the Divisional Head, Internal Audit on whistleblowing, and also treat all whistleblowing concern(s) brought to the attention of the committee with dispatch</p>

## 8. WHISTLE BLOWING PROCEDURE

The whistleblowing procedure involves steps that should be taken by the whistleblower in reporting misconduct, and steps required for the investigation of the reported misconduct. The following procedures shall guide the whistleblowing process:

### 8.1. Internal Whistleblowing Procedure

Internal whistleblowing involves staff members raising concerns about unethical conduct either by declaration or anonymously. The following procedure shall be adopted for the purpose of internal whistleblowing:

- Send formal letter to the Head, Internal Audit ("Head, IAD") and/or the Head, Legal & Company Secretariat ("Head, LCD")
- Use the dedicated whistle blowing email: [whistleblowing@fmdqgroup.com](mailto:whistleblowing@fmdqgroup.com)
- Submit a tip via the corporate website: <https://www.fmdqgroup.com/whistleblowing-policy/>

Changes to any of the channels detailed above would be promptly communicated to all stakeholders by FMDQ through the approved channels after which the policy would be amended accordingly.

Where the concern is received by staff other than the Head, IAD or Head, LCD, the staff to which the concern is directed shall be required to:

- Immediately document and forward the concern(s) to the Head, IAD or Head, LCD
- If the concerns affect the Head, IAD, the Head, LCD should be notified, and where such issues affect the Head, LCD, the Head, IAD should be notified. In the event that the issue(s) affect Executive Management or a particular Director, such concern shall be referred to the Board through the Group Board Governance and Human Resources Committee (“GBGHRC”) for appropriate action within the reporting quarter (i.e. the earliest quarter for which GBGHRC is scheduled to meet)

#### **8.1.1. Reporting Format**

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

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

#### **8.1.2. Investigating Process of Concern(s) by an Internal Whistleblower**

The Head, IAD shall within forty-eight (48) hours of receipt of the concern from the whistleblower:

- Acknowledge receipt of the issue(s) raised to the whistleblower
- Commence investigation to ascertain validity of claim and also determine whether the concerns fall within the scope of whistle blowing or not

The purposes of investigation are to:

- Establish if a wrongdoing has occurred based on the concern(s) raised, and if so, to what extent; and
- To minimise the risk of further wrongdoing, prevent any further loss of assets, damage to the reputation of FMDQ and if possible protect all sources of evidence
- If preliminary investigation shows that the concern falls within the whistleblowing reportable concerns, then further investigation shall be carried out. If otherwise or the concern is outside the reportable misconduct, then the Head, IAD shall refer the matter to appropriate quarters for further action

Where necessary the Head, IAD shall provide update of the progress of investigation to the whistleblower if the concerns fall within the reportable concerns. Finally, if the concern raised by the whistleblower is frivolous or unwarranted, the Head, IAD shall ignore such concern, and where necessary disciplinary measures in line with Human Resources Disciplinary Policy shall apply to staff involved.

The Head, IAD shall, upon conclusion of the investigation, submit a detailed report to the Chairman of the Audit Committee.

Any internal whistleblower that feels victimised can report his/her grievance(s) to the Chairman, Audit Committee. This is without prejudice to the fundamental right of the internal whistleblower to seek redress in the court of law.

## 8.2. External Whistle Blowing procedure

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

- Formal letter to the GMD/CEO of FMDQ Group and/or the Head, Internal Audit Division (IAD) and/or the Head, Legal & Company Secretariat (LCD)
- Dedicated whistle blowing email: [whistleblowing@fmdqgroup.com](mailto:whistleblowing@fmdqgroup.com)
- Submit a tip via the corporate website: <https://www.fmdqgroup.com/whistleblowing-policy/>
- A formal letter to the Securities and Exchange Commission (SEC)

Changes to any of the channels detailed above would be promptly communicated to all stakeholders by the Company through the approved channels after which the policy would be amended accordingly.

Where the concern is received by staff other than the Head, IAD or Head, LCG, the staff to which the concern is directed shall be required to:

- Immediately document and forward the concern(s) to the Head, IAD or Head, LCG
- If the concerns affect the Head, IAD, the Head, LCG should be notified, and where such issues affect the Head, LCG, the Head, IAD should be notified. In the event that the issue(s) affect Executive Management or a particular Director, such concern shall be referred to the Board through the Board Governance & Human Resources Committee (“BGHRC”) for appropriate action within the reporting quarter (i.e. the earliest quarter for which BGHRC is scheduled to meet)

### 8.2.1. Reporting Format

An external whistleblowing shall follow the following procedure whilst presenting the concern(s) in the following 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

### 8.2.2. Investigating Process for Concern(s) by an External Whistleblower

This will follow the same procedure as documented in section 8.1.2

An external whistleblower shall be at liberty to report to appropriate regulatory body or seek further redress in the court of laws if he/she is not satisfied with the action taken to address the concern(s).

## 9. MONITORING OF WHISTLEBLOWING CHANNELS

The responsibility for daily monitoring of submitted tips through any of the channels indicated in section 8.1 and 8.2 above rests with the Head, Internal Audit. In the absence of the Head, Internal Audit, the Head, Legal & Company Secretariat shall monitor the channels daily for submission of tips and follow the investigative



procedures and timing contained in this policy as well as the Internal Audit Standard Policy and Procedure (SPP) manual guiding the conduct of investigations.

#### **10. TIME LIMIT FOR INVESTIGATION**

It shall be the policy of FMDQ to handle investigations promptly and as fairly as possible. Whilst it might not be possible to set a specified time frame for the conclusion of investigation, since the diverse nature of potential concerns may make this impracticable, the Head, Internal Audit Division shall endeavor to resolve all concerns within four weeks. Where for any reason, proper resolution is unable to be achieved within this time frame; the Head, Internal Audit Division shall advise the GMD/CEO accordingly.

#### **11. CONFIDENTIALITY**

Every effort will be made to treat the complainant's identity with appropriate regard for confidentiality. A whistle blower can remain anonymous unless he or she wishes otherwise.

#### **12. PROTECTION FOR WHISTLEBLOWER**

It shall be the policy of FMDQ to protect whistleblowers who disclose concerns, provided the disclosure is made:

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

Whilst all disclosures resulting from whistleblowing shall be treated with high level of confidentiality, staff and other relevant stakeholders are encouraged to disclose their name to make the report more credible. FMDQ shall take the following into consideration in considering anonymous disclosure:

- Seriousness of the issue(s) being reported
- The significance and credibility of the concern; and
- The possibility of confirming the allegation

FMDQ shall not subject a whistleblower to any detriment. 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 whistleblower because he/she has made a disclosure in accordance with this policy will be treated as gross misconduct and dealt with accordingly.

Where a whistleblower feels unfairly treated owing to his/her actions, the whistleblower shall be at liberty to report to the Securities and Exchange Commission (SEC) and any other regulatory body with oversight on FMDQ's businesses. This is without prejudice to the right to take appropriate legal action.

#### **13. REPORTING**

The Head, Internal Audit Division shall provide the Chairman of the Audit Committee/relevant Board Committee with a summary of cases reported and the result of the investigations, at its quarterly meetings. If the concerns relate to financial benchmarks administered by FMDQ, the Head, Internal Audit shall, in addition to providing



the Chairman of the Audit Committee with the report, provide a copy of the report to the Chairman, Board Listings and Markets Committee (BLAMC) of FMDQ Securities Exchange Limited at its quarterly meeting.

**14. WIDER DISCLOSURE**

A whistleblower whether internal or external may elect to disclose directly to SEC or any other Regulator if he or she feels the issue was not adequately resolved by FMDQ.

**15. OWNERSHIP AND FREQUENCY OF REVIEW**

This policy document remains the property of FMDQ. However, its custody and management shall rest with the Head, Internal Audit Division.

This policy document and its attendant Standard Policy and Procedure (SPP) manual shall be subject to review every three (3) years or as may be deemed necessary. All suggestions for review and or amendments shall be forwarded to the Divisional Head, Internal Audit for necessary action.