



Seplat Petroleum Development Company Plc

Whistleblowing Policy

Effective date 28th January 2020

Glossary

Abbreviation	Meaning
ACFE	Association of Certified Fraud Examiners
BI	Business Integrity, Seplat
Board	Board of Directors, Seplat
CEO	Chief Executive Officer, Seplat
CFO	Chief Financial Officer, Seplat
FINCO	Financial Committee of the Board of Directors, Seplat
HR	Human Resources Department, Seplat.
Seplat	Seplat Petroleum Development Company Plc.
SCM	Supply Chain Management Department, Seplat.

1 TERMS AND DEFINITIONS

S/N	Terms	Definition
1.	Appropriate Authority	This is the line manager of a whistleblower or the line manager of the employee against whom a complaint is made. If the line manager is/appears to be conflicted/connected to the complaint, the appropriate authority is the next superior officer in line, and where necessary, the FINCO Chairman.
2.	Asset misappropriation	It is the use of Seplat's assets for personal benefits. It covers theft and misuse of cash and non-cash items, fraudulent disbursements, among others.
3.	Breach of Seplat's values	This includes violation of laws and regulations relating to Seplat's operations and activities which are inconsistent with Seplat's stated values.
4.	Corruption	It is the wrongful use of influence by Seplat employees and directors to obtain a benefit for oneself or another person, contrary to the duty or rights of others. It consists of bribery, receipt of illegal gratuities or kickbacks, relationships with third parties which may lead to conflict of interests, among others.
5.	Directors	This includes all Seplat executive and non-executive directors.
6.	Employee	Anyone employed by Seplat including contract staff and seconded staff working for Seplat.
7.	Financial Statements Misstatement	It is the deliberate misrepresentation of the financial affairs of Seplat through intentional misstatement (e.g. increasing revenue and decreasing expenses), inclusion or omission of information, in order to mislead users of the financial statements.
8.	Fraud	Fraud is a deliberate act or series of acts over a short or long period by one or more persons, to achieve an illegal objective, result or advantage through deception. Black Law's dictionary defines fraud as the intentional act of misrepresenting the truth or concealment of a material fact performed by an individual or a group of persons in order to directly or indirectly gain an unlawful or unfair advantage.
9.	Occupational Fraud	This refers to the intentional use of one's role in Seplat to directly or indirectly gain an unlawful advantage. Occupational fraud is classified into three (3) namely: financial statements misstatement, asset misappropriation and corruption.
10.	Misconduct, unethical and Illegal behaviour	This includes but is not limited to occupational fraud, misconduct, abuse of Seplat's assets and resources and deliberate concealment of information.

S/N	Terms	Definition
11	Review Panel	This is the body responsible for determining disciplinary actions to be taken against an employee found to be involved in fraud, misconduct, unethical or illegal behaviour, after the conduct of an investigation.
12.	Stakeholder	Individuals with interests in Seplat including employees, directors, host community and business partners.
13.	Whistleblower	This is any person or entity making a confidential report about suspected or actual fraud, misconduct and unethical or illegal behaviour. A whistleblower includes Seplat's stakeholders such as employees, directors, customers, service providers, creditors, debtors, shareholders, etc.
14.	Whistleblowing	This is the disclosure of any information which, in the reasonable belief of the person making the disclosure, relates to suspected or actual fraud, misconduct and unethical or illegal behaviour.

2 INTRODUCTION

2.1 POLICY STATEMENT

The Board and Management of Seplat are committed to conducting business with honesty, integrity, transparency and accountability and expects all employees to maintain high standards in accordance with Seplat's Code of Business Conduct and Seplat policies. An important aspect of this commitment is to establish a mechanism that enables employees and other stakeholders disclose concerns upon suspicion or discovering of actual fraud, misconduct and unethical or illegal behavior.

2.2 OBJECTIVE

The objectives of this Policy are:

- a) To create a work environment for employees and other stakeholders to confidentially and anonymously make reports of suspected or actual breaches of Seplat's policies and values to designated recipients for investigation and other appropriate actions.
- b) To encourage and enable all employees and other stakeholders to report any suspected or actual fraud, unethical and illegal behavior to designated recipients, as soon as possible.
- c) To reassure whistleblowers that:
 - Reported concerns will be taken seriously and investigated as appropriate.
 - Whistleblowers will be protected from victimization for disclosing concerns in accordance with the procedures defined herein, and in other relevant code of conduct/policies.
- d) To facilitate a culture of openness, accountability and integrity.
- e) To provide whistleblowers with guidance on the reporting channels available to them.

2.3 SCOPE

Seplat promotes a business culture of openness, integrity and zero tolerance for fraud and misconduct. Consequently, we have developed this Policy with the aim of providing various channels to stakeholders to raise concerns about suspected or actual breaches of Seplat's policies and values, as well as other unethical activities and violations of laws and regulations with the reassurance that whistleblowers complaints will be treated in utmost confidence.

This Policy also serves as a useful guideline in identifying reportable activities (see **4** below), which can have a debilitating effect on corporate performance, reputation and wellbeing of employees.

If an employee is uncertain whether a particular conduct is within the scope of this Policy, he/she should approach any member of Business Integrity.

2.4 APPLICABILITY

This Policy applies to all Employees, former Employees, prospective Employees, contract workers, contractors, prospective contractors and other stakeholders. This Policy also covers transactions conducted by Seplat, with Seplat or on behalf of Seplat.

2.5 RESPONSIBILITY

2.5.1 THE BOARD

The Board shall have overall responsibility for ensuring that this Policy is updated as required to reflect current issues related to Whistleblowing and is implemented and strictly enforced. The Board is also required to continually reaffirm its support for and commitment to the Whistleblowing mechanism.

2.5.2 THE REVIEW PANEL FOR EMPLOYEES

The Review Panel on the recommendation of the Head of Business Integrity Unit shall be responsible for the review, decision-making, and initiation of disciplinary action pursuant to this Policy.

The **Review Panel** shall consist of the following individuals:

- (a) Chief Executive Officer
- (b) Operations Director
- (c) Chief Financial Officer
- (d) Technical Director
- (e) General Counsel
- (g) General Manager, Human Resources
- (h) Head, Business Integrity
- (i) Company Secretary / Chief Governance Compliance Officer.

2.5.3 THE HEAD, BUSINESS INTEGRITY

The Head, Business Integrity shall be responsible for the day-to-day implementation and enforcement of this Policy, including the conduct of training and the interpretation of this Policy. The Head, Business Integrity shall be responsible for maintaining a record of all Whistleblowing concerns that are brought to the company's attention. These would be reported on a quarterly basis to the Financial Committee of the Board.

2.5.4 HEADS OF DEPARTMENT

All Heads of Departments are required to facilitate the awareness, of this Policy, among the employees of their departments. This Policy is also available on Seplat's website as a "Read Only" document for all staff and stakeholders to access.

2.5.5 ALL EMPLOYEES

Each Employee is responsible for reading this Policy carefully, understanding and complying fully

with this Policy – in letter and in spirit.

3 RELATED POLICIES

This Policy should be read in conjunction with other policies of Seplat, particularly the Code of Conduct and Anti-Bribery and Corruption Policy. Other whistleblowing related issues not specifically addressed in this Policy must be dealt with, according to the principles and intent of this Policy.

4 EXAMPLES OF CONCERNS/CONDUCT TO REPORT

Stakeholders are encouraged to report the following:

- (a) Criminal activity
- (b) Any activities of bribery and corruption in violation of the Anti-Bribery and Corruption Policy
- (c) Any activities relating to fraud or mismanagement
- (d) Incidents or risks of pollution or environmental hazard
- (e) Purchase of inferior goods
- (f) Purchase of goods at inflated prices
- (g) Forgery (use of fake certificates, false declaration of age, submission of counterfeit documents etc.)
- (h) Leakage of confidential data
- (i) Misuse of Seplat's information systems and computer databases
- (j) Stealing/theft of assets
- (k) Misuse of Seplat's assets and property
- (l) Fictitious reporting of events (including non-financial events)
- (m) Failure to comply with legal, statutory and/or regulatory requirements
- (n) Any conduct capable of damaging Seplat's reputation
- (o) Override of controls
- (p) Conflicts of interest
- (q) Collusion with suppliers and customers
- (r) Unauthorised disclosure of confidential information
- (s) Abuse of authority/office by any member of staff or the Board
- (t) Health and safety risks including risks to employees in the workplace and the public
- (u) Sexual harassment, bullying or physical abuse
- (v) Concealment of any malpractice, fraud, unethical and illegal behaviour and breaches of Seplat's values
- (w) Commission of any of the above-mentioned offences by Seplat's stakeholders
- (x) Breaches of any of Seplat's internal policies and procedures

Please note that this list is not exhaustive.

4.1 Employees and other stakeholders can report incidence of misconduct to SEPLAT in a confidential and anonymous manner through the dedicated reporting channels (**see 5.1.3 below**).

4.2 There may be complaints which relate to employment matters or Labour Relations matters

concerning an Employee, which would be more appropriately dealt with by Human Resources Department under the Grievance Procedure, for example if they relate to the Employee's personal employment terms and conditions.

5 PROCEDURE

5.1 REPORTING A WHISTLEBLOWING CONCERN

5.1.1 In order to promote anonymity of whistleblowers, Seplat has also provided an external whistleblowing mechanism, which includes a dedicated e-mail address, hotlines and a web link, through which reports can be made. The external whistleblowing mechanism is managed by an independent ethics line provider. Please see 5.1.3 below for details of the independent whistleblowing channels. On contacting the independent whistleblowing channels, whistleblowers are encouraged to provide detailed information that will facilitate an efficient and effective investigation. Such information will include the background and nature of the incident, parties involved, date(s) of incident, place of occurrence and how the incident occurred. Lack of complete information about an incident should however not discourage potential whistleblowers from 'speaking out'

5.1.2 When reporting a concern under this Policy, a Whistleblower must:

- (a) disclose the information in good faith;
- (b) believe it to be reasonably true;
- (c) not act maliciously or make false allegations; and
- (d) not seek any personal gain by reporting such concern

5.1.3 Although the Company encourages Whistleblowers to report concerns openly under this Policy, a Whistleblower may alternatively elect to make a report anonymously by sending an **email to speakup@seplatpetroleum.com or kpmgethicsline@ng.kpmg.com**. The Whistleblower can also call the dedicated **SEPLAT's Whistleblowing Hotline: 0800 444 1234 (Toll Free)** or **KPMG's MTN toll free number: 0703-000-0026** or drop a written complaint in the **dedicated Whistleblowing drop boxes**.

5.1.4 Any email sent to the above SEPLAT email address will only be viewed by the Head of Business Integrity Unit, who will review reported cases and consider the appropriate authority to address same. It is not necessary for a Whistleblower to prove that their allegation has occurred or is likely to occur. Whistleblowers may simply report concerns based on reasonable suspicion of violation of Company policy or relevant laws and regulations.

5.1.5 All concerns/complaints reported via the KPMG Ethics Line (phone calls, emails, physical letters) will be sent confidentially and anonymously to appropriate recipients within SEPLAT. The identity of the **Whistleblower** will not be disclosed to or by SEPLAT unless KPMG and SEPLAT obtain the **Whistleblower's** consent.

5.1.6 Please note that KPMG Ethics Line will always send concerns/complaints reported to at least two recipients, being the Head Business Integrity and any of the persons mentioned in 5.1.7 below.

5.1.7

S/N	Individuals involved in a Whistleblowing Report	Recipient	Investigation Conducted By
1	Reports against the Head, Business Integrity and/or Business Integrity Team Members	1. CEO 2. FINCO Chairman 3. Senior Independent Director 4. GM, Internal Audit	KPMG
2	Reports against Directors (other than the CEO) irrespective of the type of incident	1. Chairman of the Board 2. CEO 3. FINCO Chairman 4. Senior Independent Director 5. GM, Internal Audit 6. Head, Business Integrity	External Consultant
3	Reports against the Senior Independent Non-Executive Director irrespective of the type of incident	1. Chairman of the Board 2. FINCO Chairman 3. GM, Internal Audit 4. Head, Business Integrity	External Consultant
4	Reports against the Chairman of the Board or CEO irrespective of the type of incident.	1. Senior Independent Director 2. FINCO Chairman 3. GM, Internal Audit 4. Head, Business Integrity	External Consultant
5	All reports except category 1 -4 above.	1. CEO 2. Head, Business Integrity	Business Integrity/KPMG

 All complaint against a director, irrespective of the medium of complaint, shall be re-directed to an External Consultant for investigation.

6 INVESTIGATION AND OUTCOME

- 6.1** When a complaint is made through the KPMG Ethics Line, the complaint is given a reference number which is a unique identifier for the complaint and will need to be quoted to make a follow up call or when seeking feedback on complaint. KPMG will send an incident report of the complaint to the appropriate management level personnel of SEPLAT within 24 hours or as soon as possible.
- 6.2** Once a concern has been reported (internally or through KPMG Ethics Line), the Business Integrity Manager or the recipients of the incident report will arrange to have an initial assessment carried out to determine whether the claim is credible and/or warrants further investigation. Where the claim is not made anonymously, SEPLAT will inform the Whistleblower of the outcome of its assessment, and the Whistleblower may be required to provide further information. In the event of an anonymous report, the person who made the allegation may be informed through the existing emails or telephone services.
- 6.3** In some cases, SEPLAT may appoint an investigator(s) (who may be a member of our Legal, Human Resources team, a member of staff with relevant experience, or an external investigator). The investigator(s) may make recommendations for change to enable SEPLAT to minimise the risk of future wrongdoing. If any crime has been committed against any person or property, SEPLAT reserves the right to report these to the appropriate law enforcement authority without delay.
- 6.4** The Head of Business Integrity Unit will be charged with reviewing all reported cases and initiating appropriate action (except reports against him/her and Team Members of Business Integrity which should be sent to the CEO, FINCO chairman, a Senior Independent Non-Executive Director and the GM, Internal Audit), to redress the situation. The Head of Business

Integrity Unit will also be required to provide the Board with a summary of reported cases, cases investigated, the process of investigation and the result of the investigation.

- 6.5** Reports against a director or CEO should be conveyed to the recipients stated in table 5.1.7 above.
- 6.6** Where necessary, a member of staff who is the subject of an investigation arising from a Whistleblowing concern may be required to make representations within five working days of receiving notice of the investigation to the Head of Business Integrity, relevant senior management personnel, or appropriate panel following the result of the investigation. The representation will be considered, and further investigation or review may be conducted as appropriate.
- 6.7** Employees and other stakeholders are advised not to use the Whistleblowing platform to make malicious or false allegations in bad faith or for personal gain as these acts undermine the purpose and effectiveness of the Whistleblowing mechanism.
- 6.8** Where an allegation or report against a Director or Employee or other member of SEPLAT's staff is found to be valid, such person will be subject to disciplinary action. Such disciplinary action may include summary dismissal or other legal means necessary to protect the reputation of SEPLAT, members of the Board, Employees and shareholders of SEPLAT. Please refer to SEPLAT's sanctions grid for details.

7 CONFIDENTIALITY

- 7.1** SEPLAT intends that its Employees and other stakeholders feel comfortable to report concerns openly under this Policy. However, if the Whistleblower wishes to report his/her concerns confidentially, SEPLAT will make every effort to keep the individual's identity confidential. If it is necessary for anyone investigating the concern to know the Whistleblower's identity, KPMG Ethics Line will discuss and obtain consent of the Whistleblower to disclose his/her identity.
- 7.2** Where a Whistleblower does not give his/her consent, his/her identity to be disclosed, SEPLAT and/or KPMG Ethics Line will not disclose such identity.
- 7.3** Confidentiality clauses in SEPLAT's employment contracts are not intended to prevent Whistleblowers from reporting concerns about misconduct or dangers in the workplace through the Whistleblowing procedures set out in this Policy.

8. PROTECTION OF WHISTLEBLOWERS

- 8.1** It is understandable that Whistleblowers are sometimes worried about possible repercussions of Whistleblowing. To this end, SEPLAT aims to encourage openness and will support members of staff who report concerns under this Policy, even if they turn out to be erroneous.
- 8.2** Members of staff will not suffer any detrimental treatment as a result of reporting a concern. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with reporting a concern. If you believe that you have suffered any such treatment, you should report it formally with the Head, Business Integrity or Head of Human Resources department, or General Counsel, or the KPMG Ethics Line, or directly to the CEO where you consider this more appropriate.
- 8.3** Members of staff must not threaten or retaliate against Whistleblowers in any way. In the event that such Whistleblower is or feels victimised, SEPLAT shall be obligated to employ appropriate tools to offer redress to the Whistleblower concerned following the necessary investigation of

such victimisation, in line with the provisions of 8.2 above. Anyone involved in such conduct will be subject to disciplinary action which may lead to their summary dismissal.

9. NOTIFICATION

- 9.1** All Departmental Heads are required to notify and communicate the existence and contents of this Policy to all Employees of their department. New Employees shall be informed of this Policy by the Human Resources Department as part of the normal induction programme and a statement in this regard should be periodically submitted to the General Counsel and Head, Business Integrity. This policy is available on SEPLAT's website as a "Read Only" document for all staff and stakeholders to access. Regular Whistleblowing awareness sessions will be organised to continue to sensitize Employees and other stakeholders on the benefits of using the Whistleblowing platforms.

10. DOCUMENTATION AND RECORD KEEPING

- 10.1** The Head, Business Integrity will maintain on a strictly confidential basis, a register containing all whistleblowing concerns that are brought to Seplat's attention.

The Head, Business Integrity will submit a summary whistleblowing report to the Board on a quarterly basis. The report will contain the following:

- ✓ Summary of the reported cases.
- ✓ Investigation status.
- ✓ Recommended process improvements.
- ✓ Any action taken as a result of the investigations.

11. EXCEPTIONS TO THIS POLICY

- 11.1** Any exception to this Policy must be approved in advance by the **Board**.

12. AMENDMENTS

- 12.1** The Board reserves the right to change, delete, suspend, or discontinue any part or parts of this Policy and any procedures stated herein at any time. The **Board** shall promptly communicate any substantive amendments to you. It is your responsibility to familiarise yourself with this Policy as amended from time to time.

- 12.2** This Policy shall be reviewed every three years and/or immediately there are changes in regulatory requirements, present trends or leading practice.