



WHISTLE BLOWING POLICY

Document Control

S. No	Renewal/Amendment	Approving Authority	Approval Date	Next Review Date
1.	Policy Revision	Board of Directors	October – 2025	October - 2026
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3.				
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1. DEFINITIONS

Whistle Blowing:

Whistle blowing is the act of exposing or disclosing any information, activity that may be harmful to the organization, especially of any/ all mismanagement, corruption, illegality, or wrongdoing within the concerned organization.

AAML's Whistle Blowing Policy:

AAML's Whistle Blowing Policy is set of guidelines in place to encourage whistleblowers to raise any/ all relevant concerns by following the prescribed process, without any fear of retaliation by the organization and/or person in question.

Whistleblower:

A whistleblower is a person or institution disclosing criminal or improper activities in any given organization. The whistleblower sends communication to the relevant authority, adopting the prescribed process and includes current or former employees of the AAML, vendors, contractors, service providers, customers, the general public, etc.

Good Faith:

Good faith means that the information shared, or transaction done is honest, objective and with no deliberate intent to defraud the other party. It is not necessary that a report made in Good Faith always be true.

Protection:

Protection means any/ all reasonable steps taken by AAML to ensure the confidentiality of the whistleblower's name as well as providing all reasonable care to ensure the whistleblower does not suffer any professional harm.

Stakeholders:

Stakeholders include employees (all permanent, temporary and / or contractual staff), customers, suppliers, vendors, contractors, consultants, service providers or any other representative of the Alfalah Asset Management Limited.

2. INTRODUCTION

Alfalah Asset Management Limited's (hereinafter referred to as '**the AAML**') Code of Conduct – Ethics & business practices, policies and procedure manuals, local laws, rules and regulations (collectively referred to as '**the Code**') require directors, officers, senior management and employees (permanent and contractual) to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of AAML, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Conscience is our organization's most esteemed core value. Every one of us should work with absolute honesty and professional integrity, creating an environment of trust and transparency within the organization. The attributes of trust and professional integrity are essential and valued the most by the customers.

Misconduct, malpractices and breach of trust endanger AAML's reputation besides causing financial losses at occasions. It is the moral and ethical responsibility of every employee to protect the interest of the company (AAML) by refraining from any conduct that is potentially harmful for AAML either in financial or non-financial terms. The best way of protecting trust is to speak up and escalate the issue to senior management where a person has genuine suspicions about any wrongdoings.

It is the responsibility of all directors, officers, senior management and employees to comply with the Code and to report violations or suspected violations in accordance with the Whistle Blowing Policy (hereinafter referred to as '**the Policy**'). Any report, which you make, will be listened to, investigated and treated in confidence. Identity of the person reporting the issue will be kept extremely confidential and will not be disclosed to ensure that he or she is not harmed or affected in any manner. However, there may be circumstances whereby AAML may be required or legally obliged to reveal the

whistle blower's identity. In such cases, reasonable steps shall be taken to ensure no detriment to whistle blower. AAML expects the whistle blower to maintain the same level of confidentiality of information. The person filing a complaint concerning a violation or suspected violation of the Code, must be acting in Good Faith and must have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that are unsubstantiated and/or prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Victimization of anyone who comes forward will not be allowed. Any person who in Good Faith blows a whistle shall not suffer harassment, retaliation or adverse consequences. It is the responsibility of AAML's Management that he / she should be provided with complete protection. An employee who retaliates against someone who has blown a whistle in Good Faith is subject to disciplinary action up to and including termination of employment. This Whistle Blowing Policy is intended to encourage and enable employees to raise serious concerns within AAML.

3. SCOPE

AAML has provided this Policy so as to enable employees to raise concerns about such wrongdoing(s) where the interest of others or of the organization itself is at risk. However, it is not designed to question financial or business decisions taken by the employees or the Company.

This policy applies to all employees of AAML which includes permanent/confirmed, probationary & contractual employees.

All employees are encouraged to raise concerns at an early stage and in the right way provided that the disclosure is made:

- ✓ in good faith
- ✓ in the reasonable belief of the individual making the disclosure that it tends to show malpractice or impropriety.

If in doubt - raise it!

The management of AAML reassures employees that if they raise any concerns in good faith and reasonably believe them to be true, they will be protected from possible reprisals or victimization.

4. OWNERSHIP AND ACCESSIBILITY

Human Resource Department shall remain the owner of this policy and be responsible to ensure compliance to all the guiding principles/regulations and best practices covered in the document. Moreover, suggestions for improvement or revision of this policy shall also rest with them.

This policy manual remains the property of AAML for the exclusive use of the management and relevant personnel of AAML and its contents are strictly confidential and should not be copied or distributed to third parties. However, access to this Policy may not be restricted from such external parties who are entitled to it in accordance with the provisions of any law for the time being in force.

5. MODIFICATIONS AND UPDATE

Head of Human Resources will have the responsibility for maintenance of this Policy. The emerging trends and developments in HR practices as well as changes in regulatory requirements will be considered and accordingly necessary revisions will be made in this policy with the approval of Board of Directors on the recommendations of Board Audit Committee, whenever considered necessary. The Policy shall be reviewed at least once a year and updated if required with due approval of BOD. However, any regulatory requirement in contrary to this Policy (as and when issued) shall supersede these guidelines and must be complied with at all times.

6. DISPENSATION

All rules and principles of instructions contained in this policy are regarded as mandatory. Where there is a special need that may conflict or otherwise not comply with the principles of this policy, dispensation must be sought by Head of HR from the Board of Directors to ensure no breach with regulatory requirements.

7. POLICY

It is the policy of AAML to encourage internal as well as external stake-holders to lodge relevant complaints (i.e. blow the whistle) whenever they have knowledge or reasonable/ genuine suspicion of a wrongdoing in any area of AAML. The main objective is to enable the AAML's staff and outside parties such as shareholders, vendors and customers etc., to report their concerns against irregularities, financial malpractices, frauds & forgeries, personnel harassment, improper conduct or wrong doing, inter alia, without any fear of reprisal or adverse consequences.

AAML personnel must disclose/divulge acts related to fraud, forgery, corruption, or any other misconduct etc. causing financial loss to AAML or maligning directly / indirectly its reputation that come to their attention or of which they have genuine suspicion of occurrence. The act may have occurred in the past or is in progress or being planned. The above acts may generally include but are not limited to the following:

- i. **Frauds**, means any act or omission, including a misrepresentation, that knowingly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation.
- ii. **Misrepresentation** means any untrue statement or omission of fact or any statement that is otherwise false or misleading.
- iii. **Forgery** is the process of making, adapting, or imitating objects or documents with the intent to deceive. Copies and reproductions are not considered forgeries, though they may later become forgeries through knowing and willful misrepresentations. When the object forged is a record or document it is often called a false document. Forgery is one of the techniques of fraud, including identity theft.
- iv. **Theft** means the act of taking something from someone unlawfully.
- v. **Embezzlement or misappropriation** means fraudulent appropriation of funds or property entrusted to one's care but actually owned by someone else. Embezzlement or misappropriation may range from the very minor, involving only small amounts, to the immense, involving large sums and sophisticated schemes.
- vi. **Corruption** means offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party.
- vii. **Dishonesty** is defined as the act or to act without honesty, to cheat, lying or being deliberately deceptive; lacking in integrity or to be corrupt or treacherous.
- viii. **Collusive practices**, means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.
- ix. **Sharing of Confidential information** means sharing or transferring confidential data, materials, files, emails, or any other document which contains important and related information about AAML, its employees, customers and third parties engaged with the AAML, with any unconcerned internal or external third party.

Whistle blowing should be done in the reasonable belief that what is being reported is true. The Whistleblower will have to disclose his name. However, the identity of the Whistleblower will be kept most confidential and it will be ensured that no harm occurs to the Whistleblower by virtue of his act of blowing the whistle (unless his act is proven malicious). Only those anonymous complaints where either material evidences, concrete facts, objective data or logical information are provided shall be considered for initiating initial inquiry / investigation.

If any whistle blower is being victimized or is likely to be victimized on the ground that he/she had provided information or made disclosure via Whistle Blow; he / she shall immediately inform through one of the Whistle Blowing Channels. All allegations of victimization or detriment arising from whistle blow complain, will be treated as whistle blow and would be managed in accordance with the given procedure.

REWARD

Whistleblower may even be rewarded, if any significant/critical issue is raised by Whistleblower. In exercise of such discretion, the factors to be considered by AAML shall include, without limitation, the seriousness of allegations, its credibility and the extent to which the allegation can be confirmed or corroborated by relevant sources/ evidences. It will

be ensured that the Whistle Blowing Mechanism is not used (or abused) as a tool to launch any unmeritorious and personal attacks against the management by disgruntled employees. Hence, it is of extreme importance that the Whistleblower must be acting in Good Faith and is confident enough that he/she is not doing misrepresentation and does not involve any malicious intent. In case of anonymous Whistle Blowing, the highlighted issue will be reviewed diligently with respect to its gravity, magnitude & evidence provided therewith. On the basis of initial assessment regarding its genuineness & seriousness, it may be investigated as per the Policy.

8. SUBMISSION AND RECEIPT OF COMPLAINTS

All complaints will be kept confidential to the fullest extent reasonably practicable within the legitimate needs of the law and any ensuing evaluation or investigation. The identity of the person submitting the complaint must be disclosed. Any person with a complaint should promptly report it in writing to the Head of HR.

Complaints may be submitted:

- i) By surface mail or inter-office mail you can write to the following address, marking the envelope 'CONFIDENTIAL'

Head of HR, Alfalah Asset Management Limited
1st Floor, OICCI Bldg., Block 9, Clifton, Karachi.
Land Line Numbers: +92 21 35306756

- ii) Or electronically send e-mails to whistleblowing@alfalahamc.com

In case whistle is to be blown against senior management or any employee of HR Department; the complaint may be made to the Chairman Board Audit Committee. The Chairman BAC shall have access of all Whistle Blows without any exception.

Head of HR is the only competent authority to handle any complaints on Whistle Blowing across the Company. Any line manager, officer or other employee who receives a Whistle Blowing complaint by any employee, customer or vendor of the company is responsible to refer the information through the above mentioned communication channels to the Head of HR without initiating any action / inquiry / probe at their end.

9. INVESTIGATION PROCESS/RECORD KEEPING

- i) Complaints lodged by Whistle blowers would be handled keeping in view the nature, materiality and seriousness of the allegations levied by Whistleblowers. To assist the Head of HR in the investigation of a complaint, it should contain as much specific information as possible to allow proper assessment of nature, extent and urgency of the matter that is the subject of the complaint. It is less likely that an investigation may be conducted based on a complaint that contains unspecified wrongdoing or broad allegations. Without limiting the foregoing, the complaint should, to the extent possible, contain the following information:
 - The alleged event, matter or issue that is the subject of the complaint;
 - The name(s) of the person(s) involved;
 - If the complaint involves a specific event(s), the approximate time and location of each event; and
 - Where possible, any additional information, documentation or other evidence available to support the complaint.
- ii) Every complaint shall be received and assessed by the Head of HR in consultation with Chief Compliance Officer and Chief Risk Officer with a view to decide whether it meets the criteria laid down in the Whistle Blowing Policy for an investigation to be conducted. If any complaint pertaining to administrative nature / operational matter, the same shall be referred to concerned Chief/ Head for appropriate action(s). Complaints pertaining to Harassment cases shall be dealt with by HR Department. Subsequently, the findings shall be shared with BAC in upcoming meeting. Some concerns may be resolved through agreed action without the need for a formal investigation.
- iii) Access to information regarding identity of the complainant will be restricted to authorized personnel only.
- iv) The complaints will be investigated in a manner that is as discreet as the circumstances reasonably permit. Normally, Head of HR or a representative designated by the Head of HR shall conduct the investigation; however,

the Board Audit Committee does reserve the authority to name another individual to perform an investigation if the circumstances make it appropriate to do so.

- v) The final investigation report shall be forwarded to the CEO in case disciplinary action is required against the delinquent staff for necessary action. Copy of this report shall also be endorsed to concerned Chief / Head and Chief Compliance Officer.
- vi) Upon completion of investigation, the synopsis of all the investigation reports shall be submitted to the Board Audit Committee for their review.
- vii) The need for confidentiality of all participants in the investigation must be honored to the extent possible.

10. Retention of Record

Complete record of all complaints (including anonymous), its resolution and response (if any) shall be kept under the control of the Head of HR. Following would be the components of the records kept for each issue:

- a. Identity of the staff
- b. Department, investment center, city in which the concern or complaint arose
- c. Nature of issue
- d. Brief description of the issue
- e. Summary of investigation/findings
- f. Conclusion/Recommended actions, with responsible persons and target dates
- g. Follow up actions/Target dates.

11. Policy Accessibility

The employees can access this Policy through AAML's HR Department.

A brief note regarding the AAML's Policy along-with the methods through which a Whistleblower can blow the whistle will be displayed on AAML's website for the necessary information for internal and external stake-holders. Further, the staff will also be apprised/made aware of whistle blowing policy via periodic emails or any training session.

12. Action in case of Deliberate False Complaint

In situations where the complaint lodged is proved to be false and there is sufficient evidence to infer that false complaint was lodged with malicious intentions (or just to equal any personal scores) then a suitable disciplinary action will be recommended to the CEO against the staff involved OR recommend legal action to relevant Group/Head in case of the vendor and/or outside service provider who lodged false complaint with malicious intentions.

APPENDIX - QUESTIONS AND ANSWERS

To facilitate better understanding and implementation of the Policy, a set of FAQs are compiled below.

However, if any employee has any other question/query regarding the Policy, he/she can freely approach Human Resources Department of AAML.

1. What issues should I raise to higher management?

Any actual or planned wrongdoing or bad practice which;

- Is against the law.
- Is against AAML's regulations.
- Is against the AAML's internal policies/procedures
- Is against the AAML's Code of Conduct or general market ethics or standards of practice. (professional misconduct)
- Cause any financial / reputational loss to AAML.

2. To whom shall I escalate the issue?

You are encouraged to escalate the above issues at the email address whistleblowing@alfalahamc.com. All mails sent on this address shall directly go to the mail-box of the Head of HR.

Alternatively, you can write on the following address, marking the envelope

'CONFIDENTIAL';

Head of HR, Alfalah Asset Management Limited

1st Floor, OICCI Bldg., Block 9, Clifton, Karachi.

Hot Line/Land Line Numbers: +9221- 35306756

3. What if I have a grievance?

This whistle blow policy is not intended to deal with staff grievances, which should be raised with the line manager or HR department.

4. What if I'm not sure of my facts?

You don't have to be 100% sure; however, you should have reasonable grounds for your suspicion. So, if you have genuine suspicion then you should come forward and explain your concerns. It may just be a mistake in the system or process, rather than deliberate wrongdoing. You will not be blamed for not being 100% sure.

5. What if I come to know or have reasonable grounds to believe that an undesirable activity is taking place and still do not 'blow the whistle'?

As an employee of AAML, it is your responsibility to escalate a 'wrongdoing' to the senior management, if you have reasonable suspicion. You may take time to form your opinion or muster the courage to report the issue, but you SHOULD do it. Observing an illegal/unethical activity and keeping silent reflects adversely on your own professional conduct. In some cases, you may even be legally obliged to report the incident.

6. Won't I be thought malicious?

If you genuinely act in the best interests of AAML and its employees, then your actions will be viewed as courageous, not malicious. However, this channel should not be used to vilify coworkers / higher management with whom you might hold a personal grudge.

7. Wouldn't it be disloyal?

No - quite the opposite! Your action will help to protect the interests of AAML. People involved in wrongful behavior are the ones who are being disloyal. They are putting at risk not only the achievements of their business function but possibly also those of AAML as a whole.

8. What will happen next?

Head of HR or any of his/ her designated senior officer(s) will discuss with you whether anyone else needs to be put in the picture in order for your suspicions to be investigated and, if so, who. They will not mention your involvement to your line manager or anyone else implicated without your consent.

9. Will it be in confidence?

Every effort will be made to protect your confidence. The principle will always be to involve as few people as possible. Although you may be asked if you can provide further information, but you will not be directly involved in the investigation.

10. What will be the consequences for me?

You will not be blamed for speaking up or for any failure to speak up earlier. Staff may have taken time to form their suspicions, or to build up the courage to act on them. However, those who have been actively involved in wrongdoing will not have automatic immunity from disciplinary/legal action, as the case may be. Generally when someone admits to a wrongdoing he's been involved in, it is looked upon positively by the management and any action against such a person is not as severe as when the issue is discovered by the management itself. In some cases you may even be rewarded if your act of blowing the whistle saves AAML from financial or reputational failure.

11. How will I know whether action has been taken?

The Department investigating the matter will give you feedback on the outcome. Investigation may take some time, but you will be told in due course whether your suspicions were well- founded and (where possible), what action is being taken about them.