



CHEMANEX PLC

POLICY ON WHISTLEBLOWING

Policy Statement

Chemnax PLC is dedicated to maintaining a workplace built on trust, accountability, transparency and the highest standards of ethical conduct. To uphold these values, the Company encourages all employees, officers, and stakeholders to report any instances of illegal or unethical behaviour. Reporting concerns enables the Company to ensure a respectful work environment for everyone.

The Policy on Whistleblowing enables any stakeholder of the Company to report illegal activities, fraud, significant policy violations, or any misconduct by directors, employees or representatives of the Company.

Definitions of Key Terms

- **Whistleblower** - A staff member of Chemanex PLC (to whom this policy applies to) who brings to the Company's notice illegal activity, fraud, major policy violations etc. by any employee/representative of the Company.
- **Disclosure** - The contents of the message/revelation conveyed by a whistleblower to the Ombudsman
- **Ombudsman** – Ombudsman shall be the Chairman of the Audit Committee of CIC Holdings PLC, the holdings company of Chemanex PLC.
- **Whistleblower Committee** - A committee comprising of the Ombudsman (Chairman of the Audit Committee of CIC Holdings PLC), Chairman of the Audit Committee of Chemanex PLC and a Non- Executive Director of the Company, appointed to investigate and act on disclosures made by Whistleblowers.

What is a Whistleblower Policy

The main purpose of this policy is to encourage employees and other relevant stakeholders (refer to section on 'Who can submit disclosures?') of the Company to report particularly illegal and unethical activity by any employee/representative of the Company.

Through this Policy, the Company will provide protection to 'whistleblower' staff/ stakeholders making such 'disclosures' and ensure that such disclosures are treated with utmost confidentiality and without revealing the identity of the whistleblower. This policy will also empower the relevant independent officials who have been appointed to receive and investigate such disclosures to take necessary action.

Why Whistleblower Policy?

Part of a wider move towards creating a culture of greater transparency, integrity and accountability to identify and investigate possible instances of fraud / corruption/illegal activity to provide protection and to ensure the confidentiality of the 'whistleblowers' to address major issues at the earliest possible stage, before they spiral out of control empower staff and relevant stakeholders - by enabling them to hold even their senior colleagues accountable for fraud/illegal activity/corruption etc.

What does this Whistleblower Policy cover?

The whistleblower policy is intended to cover issues of serious nature such as;

- Fraud and Corruption (e.g: altering of records for the purpose of stealing money from the company or to acquire valuable company property for personal use)
- Illegal activity (e.g: importing /selling products without obtaining the valid licenses)
- Violation of key company policies, compliances and controls (e.g:- making high-value purchases/investments without taking approval from necessary company officials)
- Any other unethical activity/malpractices (that may not be directly covered by the above) which can have serious legal, financial and reputational impact on the Company (e.g.- disclosing highly confidential and sensitive information of the company to other staff or external stakeholders & unlawful / unauthorized use of highly confidential information of the Company)

“Personal grievances” are outside/not part of the scope of this policy. Examples of such personal grievances are matters which are likely to have an impact only on a single employee or a single team (e.g. a superior favoring a colleague, not receiving increments/bonuses) or issues which are not likely to have any significant financial, legal or reputational impact on the Company. However, if any of the above affecting a single employee / single team will have a significant impact on the Company financially or otherwise will form part of the Policy.

For any disclosure to be considered, the whistleblower must reveal his/her identity to the 'Ombudsman' (refer to section on 'How do I submit a disclosure?') and the disclosure must be true and accurate. Those who are making disclosures for the purpose of 'mud-slinging'/discrediting others without a valid reason will be penalized (Refer to section on 'Penalties for misuse').

Who can submit disclosures?

- Staff on the payroll of the Company
- Non-payroll /freelance staff or employees hired by the Company (even on a casual basis); this would include any 'indirectly employed' staff who are effectively functioning on behalf of the Company even though they may not be on the payroll.

How to submit a disclosure?

- All disclosures must be submitted in written form (in English, Sinhala or Tamil) to the 'Ombudsman' - who is the Chairman of the Audit Committee of CIC Holdings PLC, holding company of Chemanex PLC, with the relevant details as given below.

Ombudsman
Chairman of the Audit Committee
CIC Holdings PLC, 199, Kew Road, Colombo 02

ombudsman@cic.lk

- The Ombudsman shall take any and every necessary measure to protect the identity of the whistleblower and to ensure that he/she does not come to harm as a result of making the disclosure.
- The Ombudsman will inform the details of disclosure to the whistleblower committee only when other members of the committee are not implicated in the disclosure. Depending on the seriousness of the disclosure the Ombudsman should keep the Chairman of the Company informed immediately unless if by informing the Chairman of the Company the investigation can get compromised.

What should be included in a disclosure?

1. Name of staff member making the disclosure
2. Designation
3. Contact details (email and mobile number)
4. The description of the incident/issue should include
 - The date
 - The relevant business unit
 - Name/names of person/persons against whom the disclosure is being made
 - Designations of the person/persons against whom the disclosure is being made
 - The date/s of the incident/issue
 - What was the incident/issue - a description
 - How it came to the attention of the whistleblower (optional at the time of revealing)
 - The seriousness of the incident/issue - in terms of the likely financial loss or legal/reputational damage
 - Supporting evidence (if any)
 - Names, designations and if possible contact details of witnesses/others who are aware of the incident/issue

What happens after a disclosure is submitted?

- (i) The Ombudsman receives the disclosure
- (ii) Depending on the evidence provided and the nature of the disclosure, the Ombudsman will decide on whether to proceed with investigating the disclosure
- (iii) The Ombudsman informs the whistleblower of the decision
- (iv) If it is decided to proceed with the disclosure, the Ombudsman will discuss with the Whistleblower Committee and decide on the course of action (depending on the urgency the matter can be discussed at a scheduled meeting or at a special meeting/via tele - conferencing/email)

- (v) Depending on the seriousness of the disclosure, the matter can be escalated at this point to the Chairman & Board of Directors of the Company.
- (vi) An individual or a committee will be appointed to investigate within a given timeframe; alternatively, the Whistleblower Committee may personally investigate the matter
- (vii) The investigation carried out could involve verification of transactions/accounting entries and/or interviews/discussions)
- (viii) A report is presented to the Whistleblower Committee on the findings within the specified timeframe.
- (ix) The Whistleblower Committee will take a decision on the course of action
- (x) The whistleblower is informed of the result of the disclosure by the Ombudsman

Penalties for Misuse/Rewarding

Penalties for Misuse

If it is found that the disclosure is baseless and if the Ombudsman and/or the Whistleblower Committee has sufficient reason to believe that the disclosure has been made for the purpose of discrediting/embarrassing the relevant staff member/the relevant Business Unit, disciplinary action would be taken against the respective Whistle Blower/s.

Rewarding the Whistleblower/s

The Whistleblower Committee will decide on rewarding the Whistleblower/s based on the seriousness of the complaint/disclosure and the potential savings.

Reporting/Documentation relating to the Policy

- The Whistleblower Committee will meet regularly /on need basis to discuss;
 - (a) New disclosures received
 - (b) Progress on ongoing investigations
 - (c) Suitable action for concluded investigations - including matters to be escalated to the Board
- Depending on the seriousness of disclosures received, the Ombudsman can convene emergency meetings of the Whistleblower Committee or hold discussions electronically/via tele-conferencing.
- Depending on the seriousness of the disclosure the Ombudsman should keep the Chairman of the Company informed immediately unless if by informing the Chairman of the Company the investigation can get compromised. Also, if the situation warrants the Board of Directors of the Company could be informed of disclosures unless by informing the investigation can get compromised.
- The Ombudsman and the Whistleblower Committee shall compile a quarterly report on the disclosures.

The quarterly report shall cover;

- (a) The disclosure made (including the company, business unit, individual/s implicated and the incident/issue)

- (b) Whether the disclosure was investigated or not and the reasons for the same
- (c) The initial timelines set for ongoing investigations and the status of each investigation
- (d) Action recommended for each disclosure investigated
- (e) Implementation of recommended action

Amendments

This policy will be reviewed annually and updated as necessary to reflect changes in the business environment or regulatory requirements.

Point of contact

For clarifications or further information regarding this policy, please contact the Compliance Officer of the Company.