



HINOPAK MOTORS LIMITED
WHISTLE BLOWING SYSTEM

Date: June 10, 2022

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1. Name of System:

Hinopak Whistle Blowing System

2. Objective

- Hinopak Motors Limited being a listed company and part of Hino and Toyota Group, is committed to the highest possible standards of ethical, moral and legal business conduct and its pledge to open and candid communication.
- The employees are encouraged to report serious concerns that are against the compliance breaches as defined in the scope.
- This policy sets out the whistleblowing system that:
 - Promotes the Company's compliance system;
 - Enables Management to be informed at an early stage about fraudulent, immoral, malicious activities or misconduct and take appropriate actions;
 - Ensures the confidentiality and protection of the whistle blowers;
 - Creates awareness amongst employees regarding the procedure of Whistle Blowing System.

3. Scope

- This policy shall apply to all employees of Company (Permanent & Contract).
- This policy covers the concerns that conflicts with the basic principles of Hinopak Code of Conduct, policies & procedures and laws & regulations applicable in Pakistan.
- The compliance breaches include like:
 - Acts in violation of the laws and regulations of Pakistan which are applicable to the Company;
 - Acts in violation of the matters prohibited set forth in the "Hinopak Code of Conduct";
 - Acts in violation of policies and internal rules of the Company;
 - Any other acts which may damage the Company's social reputation or dignity and any fraudulent or corruption activity;
- Suggestions (including the improvement of whistleblowing system) received other than those mentioned above will be welcomed however such matters will not be covered under the scope of this policy and would be dealt separately.
- Employees are encouraged to report a concern with their name for appropriate follow-up questions and investigations, which might also be appraised through rewards or evaluation. However, concern reported anonymously would also be considered.
- Employee who discovers a Compliance Breach or determines that a Compliance Breach has occurred or likely to occur, may raise a concern under this system, regardless of whether such employee is involved or not and the concern was related to employee's own work or not.

4. Composition of Whistle Blowing Committee

Following is the composition of whistle blowing committee (WBC);

1. President - Chairman
2. EVP
3. VP Finance, IT, HR & Admin
4. VP Production
5. Legal Head
6. Company Secretary – Secretary

Chairman has the power to appoint any additional new member to the committee.

5. Medium of raising Concerns

Concern may be raised by a whistle blower through:

- Designated Whistleblowing boxes
- Designated Email
- Any other source

The access of the mediums would be with the President, EVP and Legal Head. However, on periodic basis, the Legal Head in presence of Secretary WBC will access the mediums and immediately circulate the concerns received to all the members of WBC. In absence of any of these two positions, any other member of the WBC can access the mediums. Any employee can raise a concern through prescribed Whistle Blowing Form.

6. Investigation Process

Following would be the process of conducting investigation of the concern raised:

- Any receipt of concern will be acknowledged by the Secretary to the whistle blower where the identity of the whistle blower is known.
- Secretary WBC and the legal head would perform the initial scrutiny and assessment of the concern and categorized into a compliance matter or a suggestion.
- The details of concern accompanied with initial assessment will be submitted to the WBC.
- A person who has a conflict of interest with the matter that is the subject of the concern received may not participate in decisions about the plan of the Investigation, implementation of the Investigation or any other responses to such concern raised. The Chairman shall determine whether or not there is a conflict of interest.
- WBC will assess the concern received:
 - if the concern received is a suggestion, it will always be welcomed but will be dealt with under separate mechanism.
 - matters requiring no further scrutiny will be concluded in the meeting.
 - matters requiring further scrutiny will be assigned by WBC to legal head for coordination with the GM of relevant department.
- Secretary WBC, legal head and the relevant GM to analyze the matter meticulously through inquiries and obtaining the evidences required to support the matter.
- Legal head to compile the findings, prepare final report and coordinate with the secretary to call the WBC meeting for decision.
- WBC to analyze all the facts and the report submitted and communicate the course of action to legal head.

7. Execution Phase

- Corrective actions and recurrence preventive measures will be promptly taken by the Secretary WBC and HR as per the instructions of WBC. Disciplinary action against the person concerned will be carried out as required if the investigation reveals compliance breach.
- Legal head to follow up on the completion of the action where the action involves some time bound activities.

8. Communication to the Whistle Blower

- Secretary WBC to inform the whistle blower of the outcome of his / her concern clearly disclosing how such matter was dealt with and finally resolved or concluded:
 - in case where the whistle blower is known, the secretary WBC will inform the whistle blower in person or by email.
 - in case where the whistle blower is anonymous, the secretary WBC will notify through notice board.

9. Retention of records

- Secretary WBC will maintain the record for 5 years of all the concerns received and will be responsible for safe custody of the records.

10. Meetings of WBC

- Meeting of WBC would be held in the middle of every month where any concern is received in the preceding month. The Secretary WBC and the Legal Head will be responsible for proper scrutiny and segregation of the concerns received before calling the meeting.
- The Secretary or any other member of the WBC may call a special meeting at any time if the nature of the concern is serious and sensitive matter.
- Quorum of the meeting would be at least 2 members.

11. Duty to Cooperate in Investigation

Employees shall not impede any investigation carried out under these rules, and if cooperation in an investigation is requested, employees shall cooperate in the investigation and state the truth affirmatively and faithfully. Employees shall cooperate in discovery of relevant documents, data and other information, etc.

12. Protection for Whistle-Blower

Whistle Blowing Committee is not allowed to disclose the identity of the Whistle blower(s) without his / her permission, except if required by law.

The Company and employees must not impose detrimental treatment on the whistle blower, whether in the form of dismissal or other disciplinary action, discriminatory treatment or other retaliation, demotion, pay cut or other adverse influence on personnel evaluation, unfavorable reassignment, divulgence of the whistle blower.

A person who is the subject to investigation (i.e., the person who allegedly engaged in, is engaging in, or intends to engage in, a Compliance Breach in the investigation) must not make any efforts to learn the identity of the whistle blower who instituted the relevant concern or impose any Detrimental Treatment on the whistle blower. The Secretary WBC shall, as necessary, take such measures as reminding such subject person that he/she is prohibited from making any effort to learn the identity of, and to impose any Detrimental Treatment on, the whistle blower.

If, as a result of the investigation pursuant to the preceding paragraph, it is confirmed that there was Detrimental Treatment against the relevant whistle blower, the WBC shall request to the Secretary WBC and the Legal Head to take necessary steps required to stop such Detrimental Treatment. Furthermore, HR shall take appropriate measures, including disciplinary action against any person etc. who imposed such Detrimental Treatment.

13. Misuse of Whistle-Blowing Procedure

The protection may be revoked if after subsequent investigation it is revealed that the whistle blower misuses the Policy by making false allegation or has malicious intention. In which case whistle blower may also be subject to disciplinary action.

The Company assumes whistle blower to express concerns in good faith only. If upon investigation some of the concerns cannot be confirmed or may not have substance, no action will be taken against whistle blowers raising concerns in good faith.

14. Awareness & Training

The WBC must take steps to ensure that employees become thoroughly aware of the details of the Whistle Blowing System and the importance of corporate ethics and compliance.

For the purpose of proper operation of the Whistle Blowing System, the Company shall provide all the new employees with awareness relating to the contents and the importance of the System, including the purpose of Whistle Blowing System, how concerns are handled, and protection of the whistle blower. Such awareness will also be provided to all the employees on a periodic basis.

The WBC shall provide necessary training to the persons involved in the operation of the System which may include the meaning and importance of the System, the purpose of related laws and regulations, and the importance of protection of whistleblowers.