

WHISTLE-BLOWING POLICY

Effective date: 1 November 2020

Abbreviations

Abbreviation	Definition
BAC	Board Audit Committee
Board	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
MCDC or the Company	Muscat City Desalination Company SOAG

Table 1: Abbreviations and Definitions

Terms and Definitions

Terms	Definition
Whistle-blowing	The disclosure of Improper Conduct based on one's reasonable belief that any person has engaged, is engaging or preparing to engage in Improper Conduct. This applies even in circumstances where information regarding Improper Conduct is supposed to be treated as confidential.
Whistle-blower	A person who discloses information of Improper Conduct in accordance with this Policy.
Improper Conduct	<p>Any conduct which if proved, constitutes a Disciplinary Offence or a criminal offence. Improper Conduct includes, but are not limited to, the following:</p> <ul style="list-style-type: none"> i) Criminal offences, unlawful acts, fraud, corruption, bribery and blackmail; ii) Failure to comply with legal or regulatory obligations; iii) Misuse of the Company's funds or assets; iv) Breach of Group Policies and Code of Conduct; v) Misuse of confidential information; vi) An act or omission which creates a substantial and specific danger to the lives, health or safety of the employees or the public or the environment; vii) Unsafe work practices or substantial wasting of company resources; viii) Abuse of power by an officer of the Company; and ix) Concealment of any of the above.
Investigating Officer	Internal Auditor of the Company or any other persons appointed from within or outside of the Company to lead investigations or to take any other action pursuant to this Policy.
Disciplinary Offence	Any action or omission which constitutes a breach of discipline in the Company as provided by law or the Company's Code of Conduct, policies and/or a contract of employment, as the case may be.
Detrimental Action	<p>Includes :</p> <ul style="list-style-type: none"> i) Action causing injury, loss and/or damage; ii) Intimidation and/or harassment; iii) Interference with the lawful employment or livelihood of any person, including discrimination, discharge, demotion, suspension,

Terms	Definition
	<p>disadvantage, termination or adverse treatment in relation to a person's employment, career, profession, trade or business or the taking of disciplinary action; and</p> <p>iv) The threat to take any of the actions referred to above.</p>
Confidential Information	<p>Includes :</p> <ul style="list-style-type: none"> i) Information about the identity, occupation, residential address, work address or whereabouts of: <ul style="list-style-type: none"> a) a Whistle-blower; and b) a person against whom a Whistle-blower has made a disclosure of improper conduct; ii) Information disclosed by a Whistle-blower; and iii) Information that, if disclosed, may cause detriment to any person.
Third Party	Refers to the Company's service providers, independent contractors, vendors, and/or suppliers

Table 2: Terms and Definitions

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1.0 Introduction

1.1 Background

- 1.1.1 An important aspect of accountability and transparency is a mechanism to enable staff and other members of the company and third parties to voice genuine concerns in a responsible and appropriate manner.
- 1.1.2 MCDC is committed to promote and maintaining high standards of transparency, accountability, ethics and integrity at the workplace.
- 1.1.3 This Policy is designed to support the Company's Integrity, Innovation, Teamwork, Excellence & Harmony values and facilitate employees' and third parties' concerns about possible improprieties at the earliest opportunity to ensure that concerns can be raised without fear of reprisal or Detrimental Action.
- 1.1.4 The procedures contained in this Policy provide a process for managing disclosures of Improper Conduct that is transparent without compromising the confidentiality of persons involved.

1.2 Purpose

- 1.2.1 The objectives of this Policy are as follows:
 - i) Provide employees and third parties dealing with the Company with proper procedures in disclosing cases of Improper Conduct;
 - ii) Manage disclosures of Improper Conduct in an appropriate and timely manner;
 - iii) Provide protection to Whistle-blowers from Detrimental Action that may result from the disclosure of Improper Conduct; and
 - iv) Provide fair treatment to both the Whistle-blower and the alleged wrongdoer when a disclosure of Improper Conduct is made.

1.3 Scope of Policy

- 1.3.1 This Policy applies to all employees and third parties who have become aware of or genuinely suspects on a reasonable belief that an employee of the Company has engaged, is engaged or is preparing to engage in any Improper Conduct.
- 1.3.2 Any provision in any contract of employment which purports and/or intends to prevent the making of a disclosure of Improper Conduct shall be void to the extent that it purports and/or intends to prevent the making of the disclosure or the implementation of the other provisions of this Policy.

1.4 Limitations

- 1.4.1 This Policy does not however, cover any issues, complaints or concerns in relation to:
- i) Matters which are trivial or frivolous in nature;
 - ii) Matters which are motivated by malice;
 - iii) Matters pending or determined through the Company's disciplinary proceedings; and
 - iv) Matters pending or determined through any tribunal or authority or court, arbitration or other similar proceedings.
- 1.4.2 If an employee is unsure whether a particular act or omission constitutes an Improper Conduct under this Policy, he or she is encouraged to seek advice or guidance from his or her immediate superior, the CEO, CFO, Internal Auditor or the Chairman of BAC.

2.0 Compliance

2.1 Regulatory Compliance

- 2.1.1 This Policy is adapted to promote alignment with the Capital Market Authority Decision No. 10/2018 and all applicable laws and regulations in the Sultanate of Oman.
- 2.1.2 However, this Policy does not absolve employees and stakeholders from any statutory obligations contained in any Act and/or Regulation to report criminal offences and/or breaches of law with the relevant enforcement agencies.

2.2 Who Does the Policy Apply to

- 2.2.1 This Policy applies to the Company's employees including employees on contract terms, temporary or short-term employees and employees on secondment.
- 2.2.2 To facilitate due and fair investigation process, any person who discovers or suspects any Improper Conduct within the Company, should not attempt to conduct investigations personally or interrogate any suspect.

3.0 Disclosure of Improper Conduct

- 3.1 An employee or third party who becomes aware of an alleged Improper Conduct is encouraged to make a disclosure as soon as possible.
- 3.2 The Whistle-blower needs to demonstrate that he or she has reasonable belief of the Improper Conduct.

3.3 In order to give the Company an opportunity to investigate the alleged Improper Conduct and to take the necessary internal corrective actions, Whistle-blowers are encouraged to lodge a report by providing, to the extent that is possible, the following information: -

- i) Description of the Improper Conduct and the people/party(ies) that are involved (to state whether they are employees of the Company or external parties);
- ii) Details of the Improper Conduct, including the relevant dates of occurrence;
- iii) Particulars of witnesses, if any; and
- iv) Particulars or production of documentary evidence, if any.

3.4 A disclosure of Improper Conduct may still be made, subject to *Section 3.2*, although the person making the disclosure is not able to identify a particular person to which the disclosure relates.

3.5 When there is more than one disclosure made at a time, the disclosures may be prioritised according to the nature or gravity of the alleged Improper Conduct or reported risks and the magnitude of the repercussions.

4.0 How to Report

4.1 A disclosure of Improper Conduct shall be made in writing to the Chairman of the Board Audit Committee via:

- i) E-Mail to whistleblowing@mcdcoman.com or
- ii) Letter (i.e. Whistle-blowing drop-off mailbox is located at Ground Floor, MCDC Office).

4.2 When a disclosure is made orally, the person receiving the disclosure shall, as soon as it is practicable, reduce the same to writing.

4.3 A disclosure should include the name, designation and contact number of the Whistle-blower.

5.0 To Whom Should Disclosure be made

5.1 Any Improper Conduct that is discovered or genuinely suspected by the Whistle-blower shall be reported immediately to the Chairman of the BAC.

5.2 If the Improper Conduct involves any of the Board members, employees are to report the matter directly to the Chairman of the BAC.

5.3 If the Improper Conduct involves the Chairman of the BAC, the Whistle-blower is to report the matter directly to any of the Board members.

6.0 Screening

6.1 In respect of disclosures made to the Chairman of the BAC, the Internal Auditors will then assess the same to determine whether it is related to an Improper Conduct and/or excluded from the scope of this Policy. The Chief Internal Auditor shall prepare a report (“Assessment Report”) to the Chairman of the BAC informing the result of the preliminary assessment and recommend either to ignore the disclosure or to take further action.

6.2 In respect of disclosures made to persons authorised under *Section 5.3*, the receiving party shall assess the same to determine whether it is related to an Improper Conduct and/or excluded from the scope of this Policy or he may appoint an officer of the Company deemed suitable at his discretion to assess the disclosure before deciding on the next course of action.

6.3 Within seven (7) days from the date the Assessment Report was received, so far as is practicable, the Chairman of the BAC or the persons authorised under *Section 5.3*, shall have the authority to make final decisions including, but not limited to, any of the following:

- i) Rejection of the disclosure(s), either in part or in total, if it falls outside the scope of this Policy;
- ii) Directing the matter or any part thereof to be dealt with under other appropriate internal procedures, which includes disciplinary procedures;
- iii) Directing an investigation into the disclosure(s) made and on any persons involved or implicated;
- iv) Designating the Internal Auditors or any other persons from within or outside of the Company as the Investigating Officer to lead an investigation or to take any other action pursuant to this Policy;
- v) Suspending the persons implicated in the Improper Conduct from work pending any further investigation and/or disciplinary procedures;
- vi) Obtaining any other assistance from third parties such as external auditors or obtaining legal advice whether from internal or external solicitors; and
- vii) Referring the matter to an appropriate enforcement agency, which includes the police.

7.0 Conduct of Investigation

- 7.1 In the event further investigation is necessary, the Investigating Officer shall, as soon as possible, conduct an investigation into the matter.
- 7.2 The Chairman of the BAC or the persons authorised under *Section 5.3*, shall have the authority to appoint an external party as the Investigating Officer to carry out investigations pertaining to the Improper Conduct within a reasonable terms of reference.
- 7.3 In instances where the Investigating Officer is appointed from within the Company, the Investigating Officer must be an employee of a Designation and/or Grade higher than the employee(s) implicated in the Improper Conduct.
- 7.4 The Investigating Officer may conduct interviews with any relevant witnesses and shall use his best endeavours to gather all data and materials relevant to the Improper Conduct disclosed. The Investigating Officer shall have absolute discretion to allow any assistance to the witness during the interview, subject to a request made by the witness.
- 7.5 All interviews and activities carried out in the course of the investigation shall be recorded and reduced to writing and filed.
- 7.6 A specific room will be designated for the use of the Investigating Officer to carry out interviews, store documents and for any other purpose deemed necessary in the course of the investigation. Whenever practicable, all interviews shall be conducted in the designated room and all documents relating to the investigation must not be removed from the room during the course of the investigation.
- 7.7 The Investigating Officer shall have free and unrestricted access to all records of the Company and shall have the authority to examine, obtain and/or make copies of all or any portion of the contents of documents, files, desks, cabinets, and other storage facilities including office e-mails and computers of the Company so far as it is necessary to assist in the investigation of the Improper Conduct.

8.0 Investigation Report

- 8.1 At the conclusion of the investigation, the Investigating Officer will submit an Investigation Report of the findings to the CEO and the Chairman of the BAC or the persons authorised under *Section 5.3*.
- 8.2 The Investigation Report will contain the following: -
- i) The specific allegation(s) of Improper Conduct;

ii) All relevant information/evidence received and the grounds for accepting/rejecting them. Copies of interview transcripts and any documents obtained during the course of the investigation shall accompany the Investigation Report; and

iii) The conclusions made and the basis for them;

8.3 Whenever practicable, the Investigating Officer may include in the Investigation Report the following:

i) The steps or recommendations that need to be taken by the Company to prevent the Improper Conduct from continuing or re-occurring in future; and

ii) Any further action to be taken by the Company in respect of the Improper Conduct. The further action includes initiating disciplinary proceedings and referring the matter to the appropriate external authority.

8.4 In the event the CEO and the Chairman of the BAC or the persons authorised under *Section 5.3* is satisfied that based on the findings and recommendations made in the Investigation Report, an Improper Conduct has been committed, the matter shall be referred to the CFO or CEO to follow-up with disciplinary proceedings in accordance with the relevant policies of the Company as well as to the Company's Legal Advisors for further advice.

8.5 The Internal Auditor shall present the result from the Investigation Report and outcome from the disciplinary proceedings to the BAC.

8.6 Refer to ***Annexure I: Flowchart*** for the flowchart on the Whistle-blowing process.

9.0 Referral to External Enforcement Authority

9.1 Pursuant to the above, referral of the Improper Conduct, to the relevant enforcement body where appropriate, or the initiation of any civil action shall be managed by the CEO.

10.0 Timeline

10.1 This Policy is intended to ensure that disclosures made by Whistle-blowers are acted upon in a timely manner.

10.2 Investigations in respect of disclosures made are to be concluded as soon as is practicable but shall not exceed sixty (60) days from the date the disclosure was made. Notwithstanding the above, where an investigation cannot be reasonably completed within sixty (60) days, the Chairman of the BAC or persons authorised under *Section 5.3* may extend the time for its

completion, provided that the extension does not exceed one hundred and twenty days (120) days from the date the disclosure was made.

- 10.3 The Whistle-blower shall be informed of the result of any investigation and/or any action taken by the Company in respect of the disclosure made within 7 days from the date an investigation is completed and/or any action taken by the Company, subject to any extension of time that may be granted by the Chairman of the BAC or persons authorised under *Section 5.3*.

11.0 Confidentiality

- 11.1 Reasonable steps will be taken to maintain the confidentiality of the Whistle-blower's Confidential Information unless:

- i) The Whistle-blower expressly agrees otherwise, and provides his agreement in writing; or
- ii) Otherwise required by law.

- 11.2 The Whistle-blower or any person who is involved in the investigation process, shall not disseminate to third parties information regarding the Improper Conduct or any part thereof, including the status or outcome of an investigation into it, except:

- i) To those who are authorised under this Policy;
- ii) By lodging a report of the Improper Conduct directly with an enforcement agency in accordance with the prevailing law;
- iii) In adherence to any law or in adherence to a legally binding requirement of any statutory authority; or,
- iv) On a strictly confidential basis to a professionally qualified lawyer for the purpose of obtaining legal advice.

- 11.3 The Whistle-blower shall not:

- i) Contact the suspected individual to determine facts or demand restitution; and,
- ii) Discuss the case, facts, suspicions, or allegations with anyone except to assist in the investigation.

12.0 Investigation Status

- 12.1 All inquiries concerning the status of the investigation from the person implicated, his attorney or representative, or the Whistle-blower should be made in writing and directed to the Chairman of the BAC or persons authorised under *Section 5.3*.

12.2 A response to a written request for the status of the investigation will be provided within seven (7) days from the date of such written request, subject to any extension of time that may be granted by the Chairman of the BAC or persons authorised under *Section 5.3*.

13.0 Record Safekeeping

13.1 A confidential record of each disclosure will be marked '**CONFIDENTIAL**' and stored securely by the CFO of the Company for not more than 7 years from the date the disclosure was lodged.

13.2 Therefore, it is the responsibility of the CFO to be the guardian of the records and to ensure that the documents are properly filed.

13.3 All records of disclosures made shall be managed in compliance with the provisions of the applicable laws.

14.0 Protection of the Whistle-blower

14.1 Upon making a disclosure in good faith, based on reasonable grounds and in accordance with and pursuant to this Policy:

- i) The Whistle-blower shall be protected from any Detrimental Action within the Company as a direct consequence of the disclosure; and
- ii) The Whistle-blower's identity and such other Confidential Information of the Whistle-blower shall not be disclosed save in accordance with *Section 11.1*.

14.2 The protection against Detrimental Action is extended to any person related to or associated with the Whistle-blower.

14.3 The identity and personal information of the Whistle-blower as well as the person implicated in the disclosure may be revealed to persons involved in investigations or any other processes save as so far as is necessary to assist and/or to assist investigations.

14.4 A Whistle-blower is obliged to lodge a complaint to the Company of any Detrimental Action committed against the Whistle-blower or any person related to or associated with the Whistle-blower, by any personnel of the Company.

14.5 A Whistle-blower or any person associated with him who fears or has suffered Detrimental Action may request to the Company in writing, for relocation of his place of employment. The Company shall, as far as is practicable, make arrangements for the relocation if there is a danger or likelihood of Detrimental Action and the only practical means of removing or substantially removing the danger of the effect of Detrimental Action is by way of relocation.

- 14.6 The Whistle-blower protection conferred under this Policy is not limited or affected notwithstanding that the disclosure of the Improper Conduct does not result in any disciplinary action of the person against whom the disclosure was made.
- 14.7 This Policy does not limit the protection conferred by any other written law to any person in relation to information given in respect of the commission of an offence.
- 14.8 The Whistle-blower protection conferred under this Policy does not apply where a disclosure was made in a manner inconsistent with or not in compliance with the provisions of this Policy. Notwithstanding the above, the Whistle-blower will still be conferred protection save as so far as afforded by the any applicable written law.

15.0 Revocation of Whistle-blower Protection

- 15.1 The Company reserves the right to revoke the Whistle-blower protection provided pursuant to this Policy if it is of the opinion, based on an investigation or in the course of an investigation that:
- i) The Whistle-blower himself has participated in the Improper Conduct disclosed, except in instances where:
 - a) The participation was under duress; or
 - b) In the view of the Company, the participation could be justified under the circumstances.
 - ii) The Whistle-blower willfully made in his disclosure of Improper Conduct a material statement which he knows or believes to be false or did not believe to be true;
 - iii) The disclosure is made solely with the motive of avoiding dismissal or other disciplinary action;
 - iv) The disclosure of Improper Conduct is frivolous and/or vexatious; and/or
 - v) The Whistle-blower, in the course of making the disclosure or providing further information, breaches the provisions of this Policy.
- 15.2 If the Whistle-blower protection has been revoked, the Company shall give a written notice to the Whistle-blower of the revocation together with reasons for the same.

16.0 Administration

- 16.1 The Internal Auditor is responsible for the administration, interpretation and application of this Policy.
- 16.2 In case of doubt, the Internal Auditor shall refer to the CEO or the Chairman of the BAC for directions.
- 16.3 This Policy and the provisions herein may be reviewed and amended whenever necessary to ensure its effective implementation. Any amendment to this Policy shall be affected by the Internal Auditor, subject to the approval of the CEO, the Chairman of the BAC and the Board of Directors.

17.0 Annexure I: Flowchart

