

WHISTLE BLOWING PROGRAM

(REVISION 2018)



THE BANK OF PUNJAB

A DOCUMENT PREPARED BY

AUDIT & RAR GROUP

CONTENTS:

1. SCOPE OF THE PROGRAM
2. INDEPENDENCE OF WHISTLEBLOWING UNIT
3. DEFINITIONS
4. PROCEDURE FOR LODGING COMPLAINT
5. COMPLAINT HANDLING PROCEDURE
6. DISCIPLINARY ACTION AGAINST DELIBERATE FALSE COMPLAINTS
7. PROTECTION RIGHTS & REWARDS OF THE WBS
8. DISCIPLINARY ACTIONS & PENALTIES
9. RIGHTS & RESPONSIBILITIES OF THE SUSPECTED PARTIES
10. REPORTING REQUIREMENTS
11. OTHER CONSIDERATIONS
12. DISCLOSURE TO EXTERNAL BODIES
13. ANONYMOUS DISCLOSURES
14. MONITORING & REVIEW OF PROGRAM
15. EFFECTIVE DATE

OVERVIEW

The Bank of Punjab is committed to operating practices with the highest possible standards of service, delivered in an ethical, professional and legal manner. The bank's interactions with customers, suppliers and others requires trust, and all of the bank's directors including the CEO, officers, and employees (herein referred to as "personnel") must maintain strict compliance with all applicable laws and regulations.

The bank has adopted a Code of Conduct that establishes specific expectations regarding the behavior of its personnel, and is committed to maintaining an effective internal control environment to detect and to prevent or deter improper activities. Effective internal controls can also ensure the accuracy of the bank's financial reporting and related disclosures. However, even the best systems of internal controls cannot provide absolute safeguards against irregularities; intentional and unintentional violations of laws, regulations, policies and procedures may occur, and the bank has a responsibility to investigate and address allegations of suspected fraudulent, wrongful, or improper activities.

1. SCOPE OF THE PROGRAM

This WB Program serves to provide a new channel for the bank's staff, shareholders, vendors, customers etc to raise concerns, expose irregularities, help uncover financial malpractices, prevent frauds, eliminate personnel harassment, point out improper conduct or wrong doing and attend to grievances of those associated without any fear of reprisal or adverse consequences. The scope of the program will mainly cover the cases that escaped the existing normal procedures and systems.

In line with instructions issued from time to time and an effort to further improve governance and service quality, Bank has formulated and designed a new mechanism for raising flags and even addressed concerns like staff protection, preservation of confidentiality and even embedded rewards for the Whistle Blowers (WBs).

The WB Program is in addition to the existing systems of complaint and dispute resolution. It is part of a new effort to further improve governance and service quality at The Bank of Punjab. This program sets out the procedures for lodging of complaints and concerns by the WBs, handling of complaints by the bank, reporting requirements, disciplinary actions / rewards / penalties and periodic monitoring of the program.

The WBs are encouraged to use the guidance provided by this program for reporting wrong doing / improper conduct. It is emphasized that this program is intended to assist individuals who believe they have discovered malpractice or impropriety. It is not designed to question financial or business decisions taken by the bank nor should it be used to reconsider matters which have already been suitably addressed under harassment, complaint, disciplinary or other procedures.

2. INDEPENDENCE OF WHISTLEBLOWING UNIT

For the purpose of independence, Whistle blowing Unit has been established under the umbrella of Audit & RAR Group. As Reporting Point should be an independent person, Group Head Audit & RAR will be the reporting Forum. On receipt of communiqué, Group Head Audit & RAR (after preliminary review) may ask the whistleblower to submit the information on prescribed Performa. The Group Head Audit & RAR will then evaluate the course of action and proceed accordingly.

3. DEFINITIONS

a. Allegations

This refers to accusing before proving with evidence.

b. Fraud

Intentional misrepresentation or concealment of information in order to deceive or mislead, whether by words or by conduct, intended to result in financial or personal gain.

c. Improper conduct or Wrongdoing

For the purpose of this program, improper conduct or wrongdoing is defined as: corrupt conduct; fraudulent activity; a substantial mismanagement of resources; or non-financial allegations such as sexual or racial harassment;

That would, if proven, constitute by a member of the Group or its personnel: a criminal offence; reasonable grounds for dismissing or dispensing with, or otherwise terminating, the services of personnel who was, or is, engaged in that conduct; or reasonable grounds for disciplinary action.

d. Malicious

Intent to cause harm without justification and regard for legal rights.

e. Protected Disclosure

For the purpose of this Program, protected disclosure is defined as:

"Any communication in good faith based on reasonable grounds that discloses or demonstrates an intention to disclose information that may evidence a wrongdoing or improper conduct".

f. Whistleblowing

For the purpose of this Program, whistleblowing is defined as:

"The deliberate, voluntary disclosure of individual or organizational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by an organization that is within its ability to control."

g. Whistleblowing Unit

An operationally independent Unit, headed by Group Head Audit & RAR and established within the Audit & RAR Group for receiving, handling and monitoring allegations, complaints and concerns raised by the Whistle Blower.

h. Whistle Blower (WB)

For the purpose of this Program, a WB means and includes:

"any employee, director, related officer and outside parties such as shareholders, vendors, customers etc., who makes or attempts to make a disclosure of improper conduct or wrongdoing."

4. PROCEDURE FOR LODGING COMPLAINT

4.1 PARTIES TO WHISTLE BLOWING

The following are the parties to the Whistleblowing Program:

- a. Any employee or outside parties, as Whistle Blower (WB)
- b. Whistleblowing Unit; handling complaints, allegations, concerns against malpractice, wrongdoings etc.

4.2 WHISTLE BLOWING ACTIVITIES & DISCLOSURES

The following are to be reported to the Whistleblowing Unit;

- a. Allegations of Suspected Fraudulent act, Wrongdoing, or Improper conduct by the bank's Personnel.
- b. Allegations of Suspected Wrongdoing or Complaints relating to the bank's accounting, internal controls, auditing, or financial reporting matters

Reports are to be made in writing to assure a clear understanding of the issues being raised. Such reports should be factual rather than speculative, and contain as much specific information as possible, including name(s), dates, places, events, WBs perception of why he / she suspects the fraudulent act, wrongdoing, or improper conduct in accounting, internal controls, auditing, or financial reporting.

4.3 COMMUNICATION CHANNELS FOR LODGING COMPLAINTS

An employee, director, related officer:

Employees with concerns or complaints may report such concerns or complaints through the phone, email, fax or regular mail. Concerns and complaints received through these means shall be forwarded to the contact person. Complete telephone numbers and addresses shall be circulated in due course.

Phone Number:
E-mail: – e.g. whistle@bop.com.pk
Fax: 111-111-XYZ
Regular Mail – Lahore.

One complaint should be submitted once only through any one of the above means.

Outside parties such as shareholders, vendors, customers etc.:

Outside parties having concerns or complaints other than concerns related to normal course of business with Bank / complaint and dispute / service delivery etc. and falling under the purview of this Policy, may report such concerns or complaints in writing through e-mail, fax or regular mail with complete information and evidence to support their concern as without evidence, such complaints would not be entertained. Concerns and complaints received through these means shall be forwarded to the contact person. Complete addresses shall be circulated in due course.

E-mail: – e.g. whistle@bop.com.pk

Fax: 111-111-XYZ

Regular Mail – Lahore.

For that matter, Whistleblower Form has been annexed as Appendix – I & II for employees and outside parties, respectively. Copies of these forms be made available on Bank's Portal under proper notice for awareness.

5. COMPLAINT HANDLING PROCEDURE

- a. The Group Head Audit & RAR, after receiving the report, should assess the allegations to determine whether they pertain to employee related matters; to internal fraud; or to accounting, internal controls, auditing, or financial reporting matters.
- b. Each report received by the Whistle Blowing Unit is to be logged into a tracking report and assigned a code that will be used in the investigation and reporting of the allegation. Access to files and reports is to be restricted.
- c. The report will be put to the Group Head Audit & RAR who will then decide action plan on the report of WB.
- d. Initial inquiries / assessments will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation.
- e. The cases warranting investigation should be probed through Audit & RAR Group.
- f. An investigation will only be conducted if the information is sufficiently specific and contains adequate corroborating evidence to warrant an investigation. The need for confidentiality of all participants in the investigation must be honored to the extent possible.
- g. Investigators must be competent, trained, independent, unbiased, objective, and ethical and observe legal and professional standards.
- h. The WB will be furnished with acknowledgment of his / her complaint within 30 days extendable for another 30 days with the status whether further investigations will follow and may be corresponded with to seek further information / evidence during the course of probe (if required).
The Information about the outcome of any investigation should be given within 120 days of a concern being received (not applicable in case of complaints with Anonymous Disclosures).
- i. The final investigation report will be forwarded to Group Head HRD in case disciplinary action is required against the delinquent staff for necessary action.
- j. The action taken by the Bank will depend on the nature of the concern.

6. DISCIPLINARY ACTION AGAINST DELIBERATE FALSE COMPLAINTS

The act of deliberately making a false report is also covered under this Program. This is not meant to discourage or limit the rights of individuals from making reports of alleged malpractices or wrongdoings. The bank recognizes that, in some instances, it may not be possible to determine whether a report / action is warranted. WBs should not be reluctant to report information because they are uncertain of who will be believed and whether the allegation can be proved.

It is expected from all the employees to refrain from rumor mongering, irresponsible behavior and false allegations. However, if a staff member makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against him / her. If, however, staff makes malicious or vexatious allegations, disciplinary action may be taken against such staff member and penalties may be imposed as prescribed in para 8.

7. PROTECTION RIGHTS & REWARDS OF THE WBs

a. Commitment to protecting WBs

The bank is committed to the protection of genuine WBs against action taken in reprisal for the making of protected disclosures.

b. Confidentiality

Confidentiality of the WB's identity, the nature of the report, and the suspected person's identity is to be strictly maintained.

c. WBs implicated in improper conduct or wrongdoing

The bank acknowledges that the act of whistle blowing should not shield WBs from the reasonable consequences flowing from any involvement in improper conduct or wrongdoing. A person's liability for his / her own conduct is not affected by that person's disclosure of such conduct. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

d. Harassment or Victimization

The bank recognizes that the decision to report a concern can be a difficult one to make not least because of the fear of reprisal from those responsible for the malpractice. The bank will not tolerate harassment or victimization and will take action, which could involve disciplinary proceedings, to protect WBs for raising their concerns in good faith.

Retaliation against an individual, who, in good faith, has made a Complaint, disclosed information relating to a Complaint or otherwise participated in an investigation relating to a Complaint, is prohibited regardless of the outcome of the investigation. Complaints of alleged retaliation also are to be directed to the Whistle blowing Unit. The bank shall not discharge, demote, suspend, threaten, harass or in any manner discriminate against an employee in the terms and conditions of his / her employment, based upon any lawful actions of such an employee with respect to good faith reporting of Complaints, participation in a related investigation or otherwise. An employee's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the complaint or an ensuing investigation.

e. Rewards

WB will be awarded monetary benefit depending upon the nature and gravity of the concern disclosed and proved. The decision of the President would be full and final in determining the amount of reward. Only those WBs will be rewarded who will report such allegation by disclosing their complete identity and would also help in investigating the matter through providing proofs / evidences, if asked for by the Investigator / Group Head Audit & RAR or his assignee.

8. DISCIPLINARY ACTION & PENALTIES

Where an employee commits breach of the regulations of the bank with respect of whistle blowing or is guilty of a false allegation against any other employee or any other act or improper conduct or wrongdoing or insubordination, the competent authority may impose on him one or more of the following penalties in line with prevailing HR Policies:

- a. Reprimand;
- b. Postponement or stoppage of increment or promotion;
- c. Recovery from the pay or otherwise of the whole or part of any pecuniary loss caused to the bank by the employee;
- d. Degradation to lower stage of pay in his grade or to a lower grade;
- e. Compulsory retirement from service and
- f. Termination / dismissal from bank services with / without benefits.

Outside parties making false complaints / allegations may face consequences in a way the bank may deem appropriate e.g. termination of contract, delisting from Bank's panel, legal recourse to cover reputational loss to the Bank etc.

9. RIGHTS & RESPONSIBILITIES OF THE SUSPECTED PARTIES

The suspected party / (ies) of a WB investigation has the right to consult with his/ her Colleagues within the bank and or a person or persons of their choice.

The suspected party / (ies) has a responsibility of not to interfere with the investigation. They are not to withhold, tamper, or destroy evidence or influence, coach or intimidate witnesses.

Unless there are compelling reasons to the contrary, subjects should be given the opportunity to respond to material points of evidence contained in an investigation report.

The suspected parties are bound to answer / respond to the queries made by Investigator and appear in person if called for by the investigator.

10. REPORTING REQUIREMENTS

At the conclusion of a WB investigation, a written report that provides the findings, evidence gathered and a conclusion as to whether or not the allegations are substantiated is to be completed and logged into a tracking report.

The Audit Committee shall have the authority to, at any time, request a briefing regarding any investigation of a Complaint and any findings regarding a Complaint.

A tracking report documenting significant WB allegations and the actions taken to resolve them will be supervised by the Central Audit Committee at least bi-annually and subsequently by the Board of Directors annually.

Record of all response letters, complaints and documentation shall be maintained / compiled during the investigation.

Records of whistle blowing complaints, investigations, and reports are to be retained for at least ten years.

11. OTHER CONSIDERATIONS

The bank should keep good records to protect evidence, ensure credibility and avoid claims of discrimination. It should be made sure that evidence is collected and analyzed by someone with sufficient time, tools and expertise.

The Whistleblowing Unit should not rush to judgment. The subject of allegation also has rights.

Due consideration should also be given to total costs involved and whether focus is prosecution, recovery, restitution or termination.

The bank's findings should not form part of the public record unless required by law.

12. DISCLOSURE TO EXTERNAL BODIES

Whistleblower is not allowed to disclose internal concerns to any of the external bodies unless required by the law and will be subject to Disciplinary action in case he / she found guilty of breach of secrecy.

13. ANONYMOUS DISCLOSURES

Anonymous disclosures will be discouraged and may not attract any action thereon. However, in case of every allegation reported in anonymity, the Group Head Audit & RAR or President or the Chairman-CAC in the absence of President, will decide whether it needs to be investigated on the grounds that it is detrimental to the bank's business, image, or bank is exposed to financial risk or suspected party is involved in unlawful gains by using influence that may or may not be due to his / her capacity to perform / maneuver bank's norms and policies and may include bribes, kickbacks in cash or kind etc.

14. MONITORING & REVIEW OF PROGRAM

The Central Audit Committee is responsible for monitoring the effectiveness and compliance of the Whistle blowing Program. This program may be reviewed annually to ensure that it complies with

relevant laws and that it remains relevant and effective. This Program may be changed at the discretion of the Board of Directors of The Bank of Punjab.

15.

EFFECTIVE DATE

Revised Whistle blowing program will be effective from the date of approval from the Board of Directors.

Whistleblower Form – for employees
(All information will be kept confidential)

Complaint Submitted by Name & E. No.)							
Grade / Designation and Place of Posting							
Contact No.	Mobile		Landline		Email		
Issue pertains to: (Please tick against appropriate Box)							
Parallel Banking		Forgery	Misappropriation of funds	Concealment	Unethical Activity		Fake Expense
Misconduct		Bribery	Misuse of Bank's Assets	Harassment	Others (<i>Please mention</i>)		

Full name(s) and Title(s) of individuals whom you suspect of wrongdoing: _____

Location of incident (e.g. Region / branch / specific location and department)	
How long this incident been taken place or particular date of incident?	
How many times the incident took place?	
Nature of Issue (Please tick)	Financial: Operational:
Describe nature of your concern with sufficient information so an independent person may understand the issue:	
Detail of evidence (if any)	

Declaration:

I hereby solemnly declare that information provided above is true to the best of my knowledge and belief and I have no other motives in highlighting the issue rather best interest of the bank. I further declare that I have read and understood whistle blowing program and I would abide by with the program contents.

Date: _____

Signatures of Whistleblower
Page 11 of 14

For Office Use Only

<i>Date received:</i>			
<i>WB Tracking Reference:</i>		<i>Date:</i>	
<i>Date Acknowledgement sent:</i>			
<i>Complaint referred to:</i>			
<i>Date Presented to Audit Committee:</i>			
<i>Date of Closure:</i>			

Whistleblower Form – for Shareholders, Vendors, Customers etc.

(All information will be kept confidential)

Name:							
CNIC #							
Deposit Account No.				Branch Name			
Engaged with BOP as (<i>Customer, Vendor, Shareholder etc.</i>)						Since (date)	
Contact No.	Mobile		Landline		Email		
Address:							

Issue pertains to: (Please tick against appropriate Box)

Parallel Banking				Misappropriation of funds		Concealment		Unethical Activity		Fake Expense	
		Forgery									
Misconduct		Bribery		Misuse of Bank's Assets		Harassment		Others (<i>Please mention</i>)			

Full name(s) and Title(s) of individuals whom you suspect of wrongdoing: _____

Location of incident (e.g. <i>Region / branch / specific location and department</i>)		
How long this incident been taken place or particular date of incident?		
How many times the incident took place?		
Nature of Issue (<i>Please tick</i>)	Financial	Operational
Describe nature of your concern with sufficient information so an independent person may understand the issue:		

Detail of evidence :	

Declaration:

I hereby solemnly declare that information provided above is true to the best of my knowledge and belief and I have no other motives in highlighting the issue rather best interest of the bank. I further declare that I have read and understood whistle blowing program and I would abide by with the program contents.

Date: _____

Signatures of Whistleblower

For Office Use Only

<i>Date received:</i>			
<i>WB Tracking Reference:</i>		<i>Date:</i>	
<i>Date Acknowledgement sent:</i>			
<i>Complaint referred to:</i>			
<i>Date Presented to Audit Committee:</i>			
<i>Date of Closure:</i>			