

**REGULATORY POLICY:
WHISTLE BLOWING POLICY**

VERSION 13 – AUGUST 2023

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LIST OF ACRONYMS

Acronym	Description
BOD	Board of Directors
BARC	Board Audit and Risk Committee
EB	Eskan Bank
GM	General Manager
IO	Investigating Officer
RMC	Risk Management Committee
RMD	Risk Management Department

1. Preamble

1.1 Policy Objectives

The purpose of this Policy is to:

- Create an internal environment at Eskan Bank whereby the staff are encouraged to reveal and report, without any fear of retaliation, subsequent discrimination and of being disadvantaged in any way, about any fraudulent, immoral, unethical or malicious activity or conduct, which in their opinion may cause financial or reputational loss to the Bank.
- Ensure that members of staff who report irregularities in good faith are afforded the utmost confidentiality as a result of their whistleblowing.
- Provides assurance to the whistle-blowers about secrecy and protection of their legitimate personal interests.
- Support and encourage its employees to report and disclose fraudulent, immoral, unethical or malicious activities and conduct an investigation on such reports.
- Establish the framework for the timely detection of irregularities, oversights or punishable acts with respect to the operations of the Bank and its subsidiaries.

1.2 Policy Review and Approval

All amendments to the Policy shall be reviewed and recommended by the Risk Management Committee to the Audit & Risk Committee of the Board /Board of Directors for approval on an annual basis.

1.3 Policy Compliance

The Policy applies to all Eskan Bank and its subsidiaries staff members

Unless otherwise stated all policy exceptions shall be approved by the General Manager.

RMD is the custodian of the policy version approved by the BOD.

1.4 Policy Clarification

The Compliance Department is the owner of this policy and any queries on the same should be addressed to the same.

2. Definition

Whistleblowing is a term used when someone raises a concern about a possible fraud, crime or other serious malpractice that could threaten customers, employees, shareholders or the Bank's own reputation.

The following examples demonstrate what is meant by serious malpractice:

- Financial malpractice or impropriety or fraud;
- Failure to comply with a legal obligation or statutes;
- Criminal activity;
- Improper conduct or unethical behavior;
- Unacceptable practices;
- Corruption;
- Frauds;
- Misrepresentation of facts;
- Sexual harassment;
- Abuse of delegated authorities;
- Misuse of Bank's assets;
- Serious failure to comply with appropriate professional standards;
- Abuse of power, or use of Bank's powers and authority for any unauthorized use or personal gain;
- Breach of statutory codes of practice;
- Deliberate attempts to conceal any of the above.

3. Reporting Obligations

Members of staff, are required to report any suspected or presumed incidents of illegal behaviour in the activities of the Bank or of serious misconduct or serious infringement of the Bank's rules, policies or guidelines, or any action that is or could be harmful to the mission or reputation of the Bank (hereinafter called as "irregularities").

Such incidents may involve members of staff, borrowers, promoters, contractors, suppliers, beneficiaries or any other persons or entities that participate or seek to participate in activities relating to Eskan Bank.

Members of staff are required to cooperate in any official investigation, audit or similar request. No members of staff or managers of the Bank may use their position to prevent other members of staff from exercising their rights or complying with their obligations as indicated above.

4. Protection for Whistleblowers

4.1 Protection

Any staff member who reports an irregularity, provided that this is done in good faith and in compliance with the provisions of this policy, shall be protected against any acts of retaliation.

For the purposes of this policy, "retaliation" is defined as any action or threat of action which is unjustly detrimental to the whistle-blower because of his/ her report, including, but not limited to, harassment, discrimination and acts of vindictiveness, direct or indirect, that are recommended, threatened or taken against the whistle-blower.

"Good faith" can be taken to mean the unequivocal belief in the veracity of the reported incidents, i.e. the fact that the member of staff reasonably believes the transmitted information to be true.

Staff members, who make a report in bad faith, particularly if it is based knowingly on false or misleading information, shall not be protected and shall be subject to disciplinary measures.

4.2 Confidentiality

To encourage staff to blow the whistle whilst preserving their confidentiality. The Bank should be absolutely committed to protect reporting persons who make reports under this policy. The protection of a person reporting an irregularity shall be guaranteed first of all by the fact that their identity will be treated in confidence. This means that their name will not be revealed, unless the whistleblower personally authorizes the disclosure of his/ her identity or this is a statutory requirement, particularly if it is essential to ensure that the right of the persons implicated to be given a fair hearing is upheld. In such a case, the Bank shall be required to notify the whistleblower before revealing their identity.

Where members of staff consider that they have been the victim of retaliation for reporting an irregularity or have good reason to believe or fear that they are exposed to a risk of retaliation as a result of their reporting an irregularity, they shall be entitled to complain to the Compliance Manager or GM and request that protective measures be adopted.

The Investigating Officer shall assess the circumstances of the case referred to him/ her and may recommend to the GM that temporary and/or permanent measures that are necessary in the interests of the Bank be adopted with a view to protecting the staff member in question. The staff member shall be informed in writing of the results of this procedure.

4.3 Penalties for Those Taking Retaliatory Action

Any form of retaliation undertaken by a staff member against any person for reporting an irregularity in good faith is prohibited and considered to be a breach of the loyalty and professional ethics requirements of the Staff Code of Conduct. In such a case disciplinary measures shall be taken.

5. Untrue/False Allegations

If an employee makes an allegation in good faith, which is not confirmed by subsequent investigation, no action will be taken against that employee. In making a disclosure the individual should exercise due care to ensure the accuracy of the information.

If, however, an employee makes malicious or vexatious allegations, and persists with making them, appropriate disciplinary action may be taken against that employee after proper investigation.

6. Rights of Persons Implicated

Any staff member implicated by reports of irregularities must be notified in good time of the allegations made against them, provided that this notification does not impede the progress of the procedure for establishing the circumstances of the case. In any event, findings referring to a staff member specifically by name may not be made upon the completion of the abovementioned procedure, unless that staff member has had the opportunity to put forward their comments in keeping with the principle of respect for the right to be given a fair hearing, as interpreted by the courts.

After having heard the implicated staff member, or after having requested the latter to put their case in writing if, for objective reasons, it is not possible to hear them directly, the GM shall decide on the measures required in the Bank's interest based on the Investigating Officer's recommendation. Since the reporting of irregularities and/ or the ensuing procedure will involve dealing with personal data, such data shall be managed in keeping with the principles and rules provided for in the regulations applicable to the Bank and the relevant directives issued by the CBB.

7. Process for Making a Disclosure

7.1 Designated Authority

In accordance with regulatory requirements, the Bank appointed the Compliance Manager as the Investigating Officer who is responsible for implementing the provisions of this policy. The Investigating Officer is also responsible for ensuring that whistleblowers understand their rights and obligations as explained in this policy.

The IO has the primary responsibility of advising the GM and Board Audit and Risk Committee on receipt of every disclosure, the investigation report and recommending appropriate action to be taken.

7.2 Manner of Lodging Complaint

Complaints of malpractice will be investigated by the Compliance Manager unless the complaint is against the Compliance Manager himself/herself or is in any way related to his/her actions. In such cases, the complaint should be passed to the GM for referral.

In the case of a complaint, which is in any way connected with or against the Compliance Manager, the GM will nominate a Senior Manager to act as the alternative investigating officer.

If there is evidence of criminal activity then the investigating officer should inform the police after obtaining the approval of the GM and/or the Audit committee of the Board. The Bank will ensure that any internal investigation does not hinder a formal police investigation.

The Bank has also created an internal system “Eskan Box” on which employees can submit their complaints/whistle blowing incidents. All employees have access to the system where confidentiality and anonymity is protected. Employees can choose to submit their concerns to either:

- Group of Compliance Manager, Head of Internal Audit, and Head of Legal Advisory; or
- GM

Other Stakeholders such as customer, vendors, representatives, service providers and third parties can raise their concerns by sending an email to the whistleblowing group email (whistleblowing@eskanbank.com) as mentioned in Eskan Bank’s website.

8. Investigating Procedure

The IO should follow the below steps:

- Full details and clarifications of the complaint should be obtained.
- The investigating officer should inform the staff against whom the complaint is made as soon as is practically possible.
- The IO should consider the involvement of the company auditors and the police at this stage, if so required, in consultation with the GM.
- The allegations should be investigated by the investigating officer with the assistance where appropriate, of other individuals / bodies including Head of Legal advisory and Head of Internal Audit.

An assessment concerning the complaint and validity of the complaint will be made by the IO in a written report containing the findings of the investigations with reasons for the decision. The report will include inputs from the Head of internal Audit and/or Legal Advisory, if any and will be passed to GM.

The GM, will review the findings to ensure the complaint has been dealt with fairly, thoroughly and judiciously in accordance with the Policy. If the complaint is valid and justified, then relevant disciplinary or other appropriate procedures will be taken.

The complainant should be kept informed of the progress of the investigations and, if appropriate, of the final outcome.

If the complainant is not satisfied that their concern is being properly dealt with by the IO, they have the right to raise it in confidence with the GM.

9. Roles & Responsibilities:

9.1 Board of Directors/ BARC

The BOD/Audit and Risk Committee is responsible for reviewing and approving the Whistle Blowing policy of the Bank.

9.2 General Manager

- In the case of a complaint, which is in any way connected with or against the Compliance Manager, the GM is responsible to nominate a Senior Manager to act as the alternative investigating officer.
- To provide consultation to the investigating officer's recommendations during the investigation process.
- To review the findings of investigation reports to ensure the complaint has been dealt with fairly, thoroughly and judiciously in accordance with the Policy.

To decide on the measures required in the Bank's interest.

9.3 Compliance Manager

Compliance Manager will be the designated authority/ investigating officer to receive and investigate all disclosures made under this policy. The Compliance Manager will be responsible of the following:

- Investigate a complaint in an objective manner
- Provide a comprehensive investigation report outlining the nature of the complaint and its outcome to General Manager and the BARC
- Recommend appropriate action to be taken.
- Retaining records related to whistle blowing complaints

9.4 Head of Departments

Are responsible to ensure their subordinates are made aware of this policy and its application and for creating an environment in which staff are able to raise concerns freely and without fear of reprisal.

9.5 EB Staff

All EB Staff have a responsibility to raise concerns providing they have a reasonable belief that malpractice and/or wrong doing has occurred .

9.6 Internal Audit Department

The Head of the Internal Audit may be a primary recipient of the case and shall independently review the outcome of investigations to ensure transparency and compliance with the Whistle Blowing policy based on a request from BARC, GM or whenever the head of internal audit finds it appropriate.

9.7 Legal Advisory Department

The Head of the Legal Affairs and corporate secretary may be a primary recipient of the case and shall review and provide legal opinion/ guidance with regards to complaint/case.



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