



Whistleblowing Policy

(Version 2.1)

Internal Audit Division
Askari Bank Limited

Document Information

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Internal Audit Division**1.0 Preamble**

- 1.1 The Bank is committed to conduct business in most transparent manner and is committed to work with all stakeholders including but not limited to our employees, customers and shareholders in a manner which is compliant with legal and ethical values.
- 1.2 This Policy is aimed to provide a platform for all stakeholders to voice their concerns promptly to appropriate pre-identified authority where it is genuinely believed that the Bank's business is not being carried out in an appropriate manner or any suspicious or undesired event (s) / activity (ies) in violation of applicable laws, code of ethics of the Bank or which may have an adverse impact on the business or goodwill of the Bank or the society at large.
- 1.3 Whistle Blowing is one of the effective contemporary managerial techniques used for prevention / detection of the likely attempt(s) of defrauding the organization and other malpractices by its employees, customers and/or other parties. It mobilizes all stakeholders to communicate their suspicions and reasonable doubts to the management about malicious activities without fear for the loss of job, discrimination, victimization, harassment, prejudice etc.
- 1.4 The Bank's Whistleblowing Policy encourages and enables all concerned to raise serious concerns within the Bank rather than overlooking a problem or 'blowing the whistle' outside.
- 1.5 This Policy is neither designed to question financial, HR or business decisions taken by the Bank nor should it be used to reconsider any matters which have already been suitably addressed.

2.0 Definitions

- 2.1 Bank means "Askari Bank Limited".
- 2.2 BAC means Board Audit Committee.
- 2.3 **Whistle Blowing** is a communication to a competent authority by an individual or an institution to expose and / or inform upon, alleged fraudulent, immoral, unethical or malicious activities, or discrimination, or some other type of adverse occurrence that violates a law, regulation, policy, morals, and/or ethics and especially those matters that jeopardize the credibility and reputation of the Bank.
- 2.4 "**Whistle Blowing Policy**" or the "**Policy**" is to encourage the Whistleblowers to voice their concerns to an appropriate pre-identified authority about any fraudulent, immoral, unethical or malicious activities, which are against the policy of the Bank, or may have an adverse impact on the business or goodwill of the Bank or the society at large without any reservations of retribution such as fear for the loss of job, discrimination, victimization, harassment etc.,
- 2.5 **Whistleblower** means a person or institution, who blows the whistle and sends communication to the entrusted authority, following the process as prescribed, includes current or former employees of the Bank, shareholders, vendors, contractors, service providers, customers, creditors or the general public. The role of a Whistleblower would remain to the extent of reporting only, who will neither be considered an investigator nor determines the appropriate corrective or remedial action that may be required under the given situation.

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- 2.6 **Good Faith** is evident when the report is made, in the interest of the Bank, without consideration of personal benefit and not based on personal grudges and enmity, and the Whistleblower has a reasonable basis to believe that the contents of the report are true. However, it is not necessary that a report made in Good Faith, proves to be true.
- 2.7 **Suspected Party** means a person against whom a concern has been reported to the Chairman BAC. It also includes an alleged beneficiary of fraud, improper conduct or wrongdoing.

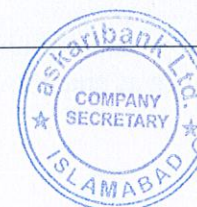
2.8 **Allegation** means an accusation before proving with evidence.

2.9 **Wrongdoer** means a person/institution against whom a concern has been established.

3.0 Purpose and Objective

- 3.1 The purpose of this Policy is to create a safe, ethical and productive working environment at the Bank whereby the staff is encouraged to reveal and report, without any fear of retaliation, prejudice, subsequent discrimination and of being disadvantaged in any way, about any actual, potential or suspected fraudulent, immoral, unethical or malicious activity or conduct, which in their opinion may cause financial or reputational loss to the Bank.
- 3.2 Another purpose of this policy is to provide guidelines to establish an objective and impartial process for prevention, detection and remedial measures of unethical behavior, corruption and fraudulent activities that may cause damage to the Bank's assets or reputation.
- 3.3 The Bank's internal control and operating procedures are intended to detect and to prevent or discourage such activities; however, even the best systems of controls cannot provide absolute safeguards against irregularities. Therefore, all employees, contractors, suppliers, customers and other stakeholders are encouraged to question, discuss, report and share information regarding any such activity or act / misconduct that may cause financial or reputational loss to the Bank.
- 3.4 It is the Bank's policy to support and encourage its honest, dedicated and loyal employees to report and disclose fraudulent, immoral, unethical or malicious activities and conduct investigation on such reports. This Policy assures that all reports under this Policy would remain strictly confidential and that the Bank is also committed to address reports (if any) that alleges acts of interference, revenge, retaliation and threats against the Whistleblowers.
- 3.5 The Policy of the Bank provides assurance to the Whistleblowers about secrecy and protection of their legitimate personal interests. It also provides incentives for the Whistleblowers upon report of suspicious activities.
- 3.6 Bank's aim is to help develop a culture of transparency, honesty, integrity, fairness and accountability that is in the greater interests of the stakeholders and the Bank, to create awareness amongst employees and stakeholders regarding the Whistle Blowing function; and to enable management to be informed at an early stage about fraudulent, immoral, unethical or malicious activities or misconduct and take appropriate actions.





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4.0 Scope

4.1 The type of issues which can be reported under this policy include but are not limited to:

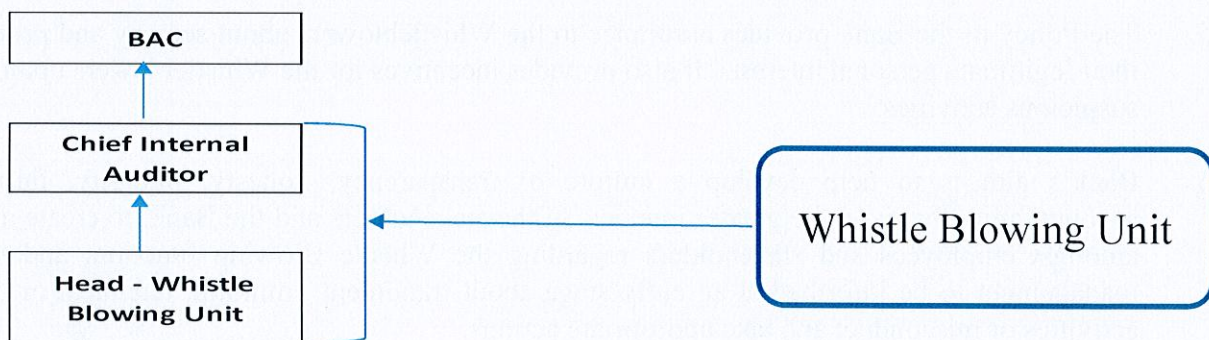
- Misappropriation of financial data/reports;
- Misuse of Bank’s assets;
- Violation of applicable laws and regulations;
- Actions raising safety, security, and environmental concerns;
- Damage to Bank’s reputation or business;
- Damage to the environment as a consequence of Bank’s operations, Bank’s assets and/or corporate image;
- Environment, Health and safety risks, including risks to the public as well as other employees.
- Illegal use of sensitive Bank data;
- Actions which are unprofessional, inappropriate or in conflict with a general understanding of what is right or wrong / unethical;
- Miscarriage of Justice.
- Unauthorized use of Bank & Customer funds;
- Using business relationship for personal gains;
- Membership of banned outfits;
- Other unethical, unprofessional or immoral conduct.

4.2 The Whistleblowing Policy does not apply to employees’ Harassment and Career related issues like promotions, transfers, relocations, trainings etc. for which separate procedure exists.

5.0 Responsibility for Implementation

5.1 The Board Audit Committee (BAC) shall be responsible for implementation of this Policy.

5.2 An independent Unit established, under supervision of BAC, for handling and monitoring of concerns raised by the whistleblower under whistle blowing policy at Internal Audit Division, 3rd Floor, Plot # 12, MPCHS Commercial Center, E -11/3, Islamabad.



6.0 Applicability

This policy shall be applicable to all of the Bank’s employees including its overseas operations and outside parties such as shareholders, vendors, customers, suppliers, creditors etc.

Internal Audit Division**7.0 Availability**

This policy shall be available on Bank's website. In addition to the availability requirement as mentioned above, the Bank shall circulate the Policy and any update or amendment thereof to all employees and stakeholders in the Bank.

8.0 Safeguards and Protection

- 8.1 The success of this Policy depends in part on the integrity, observation and professional ethics of the Whistleblower & respondent(s) as well as on the level of confidentiality maintained. This Policy is designed to offer protection to those who disclose a complaint, provided this disclosure is made in good faith. The information given and the identity of the Whistleblower will be treated in a confidential manner as per the policy. However, retaliation by workplace peers and harassment or victimization by the management, are the major disincentives to Whistle Blowing. The Bank stands committed to protect Whistleblowers for Whistle Blowing, harassment or victimization of the Whistleblower will not be tolerated. Therefore, disciplinary action will be taken against those who engage in retaliatory conduct and to avoid the possibility of emotional, psychological and/or physical harm upon the whistle blowers as a result of Whistle Blowing, the Bank stands committed to safeguard the Whistleblowers. Whistleblowers should be given an opportunity to report any and every retaliatory conduct towards them and, hence, monitoring the welfare of all employees and providing a safe environment to the whistleblowers is of paramount importance.
- 8.2 If the Whistleblower feels that, at his / her place of posting, he / she might be subject to victimization or harassment by the alleged officials after blowing the whistle, the management may consider transferring him/her to another suitable place on his/her request. However, this assurance is not extended in cases where it is proved that the Whistleblower raised the matters to settle his / her personal grudges or grievances or enmity or where the Whistleblower has been habitually involved in complaining petty issues.
- 8.3 Protection that Bank can extend to Whistleblower is limited to the Bank's capability, but any retaliatory action against any Whistleblower as a result of whistle blown by such person under this Policy shall be treated as misconduct and subject to disciplinary action.
- 8.4 Additionally, indemnity from disciplinary action will be provided to the whistleblower employee, against actions/involvement in the activity against which whistle is blown, based on the merits of the subject case.

9.0 Confidentiality

- 9.1 All matters will be dealt with confidentiality and if the Whistleblower has chosen to disclose his/her name, the identification of the Whistleblower will not be disclosed except for inevitable situations, where disclosure of identity of the Whistleblower is essential (for instance, his / her statement/evidence is needed in court) or report of a complaint has to be disclosed to those persons who have a need to know in order to properly carry out an investigation of the complaint. In any case, the identity of the Whistleblower shall not be disclosed without prior consent of the Whistleblower.

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- 9.2 Once a concern is received, it will be logged on a dedicated confidential database, given a unique identifying number. The Chairman BAC considering severity and criticality of the concern, shall decide as to whether the concern be investigated internally by the Bank or be dealt with by the External firm as engaged by the Bank.
- 9.3 All whistle blowing cases after allotment of a unique identifying number shall be presented to the BAC for its information and consideration as part of its quarterly review.
- 9.4 The same standard of confidentiality will be applicable to all external stakeholders as well to ensure that all concerns of internal and external stakeholders are investigated fairly and quickly and with fullest confidentiality.

10.0 Revision

The Chief Internal Auditor (CIA) shall be responsible for keeping this document updated from time to time. Therefore, this policy shall be subject to a formal review by the BAC, on a periodic (at least once in every three years) basis and the proposals for any changes / modifications/ amendments therein shall be submitted to the Board of Directors of the Bank for consideration and approval.

11.0 Misuse of the Policy

It is expected from all employees to refrain from rumor mongering, irresponsible behavior and false allegations and if the Whistleblower makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. If, however, the Whistleblower makes malicious or frivolous allegations /complaint(s) or misuse the Policy for undue posting/transfer of himself/herself on disclosure to team member/ senior about whistle blown or the shelter available under this Policy, action may be taken against them after proper investigation.

12.0 Retention of Whistleblowing Complaints

All whistle blowing complaints received at the below mentioned dedicated email address, through mail or through whistle blowing form available at the Bank's website shall be retained for 3 years after which the complaints shall be archived and preserved as per the Bank's record retention policy.

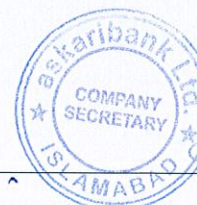
13.0 Effective Date

This policy shall be effective from the date of approval from the Board of Directors.

14.0 Responsibilities

14.1 Bank's Responsibilities

- i. The Bank shall circulate this Policy for the information of all the employees and other stakeholders of the Bank in accordance with Clause 7 above.



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- ii. The Bank shall establish the following communication channels for whistle blowing complaints:
- A dedicated e-mail address for Whistle Blowing (**whistleblowingunit@askaribank.com.pk**) will be accessible by the Chairman BAC;
 - Whistle blowing forms available on the Bank's website; and
 - Through post/courier addressed to the Chairman BAC at the following address: (where Whistleblower sends communication on postal address, the Bank shall ensure that the unfiltered complaints are delivered directly to the Chairman BAC).

Whistle Blowing Unit
Internal Audit Division
3rd Floor, Plot # 12, MPCHS
Commercial Center, E -11/3,
Islamabad.

- iii. The Bank shall put in place a mechanism to evaluate effectiveness of Whistle Blowing Function under this Policy.
- iv. The Bank shall ensure that the Whistle Blowing Policy is fairly and consistently applied. It should spell out zero tolerance for all violations e.g. fraudulent, immoral, unethical or malicious activities.
- v. The Bank shall ensure that Whistleblower should feel secure while reporting fraudulent, immoral, unethical or malicious activities.
- vi. It is the responsibility of the Head Whistle Blowing Unit, Chief Internal Auditor and the Chairman BAC to treat all reported concerns in confidence and, make every effort not to reveal the whistle blowers' identity if he/she wishes so.
- vii. It is the responsibility of Internal Audit Division of the Bank to provide necessary support to the Chairman BAC in executing and concluding the reported concern (s). The Chairman BAC shall have the authority to utilize the services of any Bank personnel under the circumstances so as to assist in evaluation of reported concern.

14.2 Responsibility of the Whistleblower

- In the event that any fraud, forgery, fraudulent, immoral, unethical or malicious activities have occurred due to involvement of the Bank's officials, the employees and / or other stakeholders who have knowledge are ethically and morally bound to Whistle Blowing or take appropriate action if they are authorized to.
- It is expected that the Whistleblower shall remain unbiased while reporting matters under this Policy.
- In making a disclosure, the Whistleblower should exercise due care to ensure the accuracy of the information. Whistleblower should not make repeated, malicious, wrong, not based on facts, based on personal grudges, grievances or personal enmity or vexatious allegations.

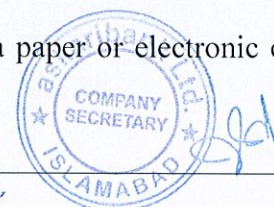
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15.0 Incentives for Whistleblowing

- 15.1 To motivate the Bank's staff to behave honestly, in loyalty with the Bank, independently without any fear, for saving the Bank from risks of financial or reputational losses caused by fraudulent, immoral, unethical or malicious activities or misconduct of some dishonest and corrupt persons, the management may offer incentives. In order to be eligible for all such incentives the Whistleblower(s) must share their contact information. In case of anonymous Whistle Blowing, no such reward shall be given to anyone in any situation or circumstances, even if allegations imposed are proved to be correct.
- 15.2 On the recommendation of the BAC to the management, the Whistleblower, who brings to the notice of the management or report any fraudulent, immoral, unethical or malicious activities, which may lead to financial or reputational losses or legal threats to the Bank, will be suitably awarded according to the significance of the information he / she had provided and impact of losses averted as a result. The award may include cash prizes and or increase in salary and or promotion.
- 15.3 The prizes / awards will be given to the concerned Whistleblower confidentially and in a manner that no one can grasp the actual reason thereof.

16.0 Reporting Mechanism

- 16.1 Employees are encouraged in such circumstances to share and discuss this with their line managers before considering the use of whistleblowing procedures to air their concerns. However, in case it is not possible for them or they do not wish to share or discuss their concerns with their line managers then the employee should raise the matter through the whistleblowing procedure outlined below. Although the whistle-blower is not expected to prove the truth of an allegation, he / she would need to demonstrate to the Committee that there are sufficient grounds for concern.
- 16.2 Reporting can be made by employees / other parties directly:
- a. Via email to whistleblowingunit@askaribank.com.pk (the Whistleblower should either attach form A (attached herewith as Annex-A) (if he/she chooses to disclose his/her identity) or Form B (attached herewith as Annex-B) (if he/she chooses not to disclose his/her identity));
 - b. By filling out the whistle blowing forms available on the website of the Bank (the Whistleblower should either fill form A (attached herewith as Annex-A) (if he/she chooses to disclose his/her identity) or Form B (attached herewith as Annex-B) (if he/she chooses not to disclose his/her identity));
 - c. By post / courier addressed to the Chairman BAC, (the Whistleblower should either attach form A (attached herewith as Annex-A) (if he/she chooses to disclose his/her identity) or Form B (attached herewith as Annex-B) (if he/she chooses not to disclose his/her identity)).
- 16.3 Each concern received by the Chairman BAC will be logged and assigned a unique identification code that will be used in subsequent investigation and reporting of the concern.
- 16.4 The Chairman BAC shall take appropriate steps to ensure that a paper or electronic copy of the reported concern is preserved.



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- 16.5 The Head – Whistle Blowing Unit shall notify the sender and acknowledge receipt of the reported violation or suspected violation within three (3) working days, if the Whistleblower has chosen to disclose his/her identity.
- 16.6 Upon receipt of a reported concern, the Chairman BAC shall conduct initial assessment to determine whether further review and /or investigation is warranted based on gravity of the issues described in the reported concern.
- 16.7 If the Chairman BAC determines that further review or investigation of the matters raised in a reported concern would be appropriate under the circumstances, the investigation shall be initiated promptly.
- 16.8 At any time during a review and/or investigation of a report, The Chairman BAC may in his/her sole discretion will notify the President/CEO and Concerned Group Head/Country Head of the receipt of a report and/or the progress or results of any review and/or investigation of the report. The concerned Group Head / Country Head will only be provided with such level of detail as may be necessary to allow for appropriate consideration.
- 16.9 Investigation reports along with the result of investigation carried out by the investigation team shall be submitted to the Chairman, BAC. All employees of the Bank have an obligation to cooperate and comply with any review / investigation initiated by the Committee and should keep the information as '*classified*' to avoid any disciplinary action against them.
- 16.10 Investigation will be completed and report will be submitted to the Chairman Board Audit Committee of the Bank within thirty (30) working days from the date of reported concern. Where the situation warrants, additional reasonable time will be allowed with the approval of Chairman Board Audit Committee of the Bank to complete the investigation.
- 16.11 After approval of the Chairman Board Audit Committee, the final investigation report will be forwarded to the President & CEO, relevant Group Head(s) / Head(s) for necessary action(s).
- 16.12 Material concerns received at Whistle Blowing Forum pertaining to the Wholesale Bank (Branch) Bahrain will be escalated to the Central Bank of Bahrain after issuance of the investigation report through the Whole Sale Banking Branch Bahrain.

17.0 Disciplinary Action

- 17.1 If involvement of the Bank's officials in fraudulent, immoral, unethical or malicious activities and other malpractices is proved during investigation of the case then disciplinary action will be initiated as per applicable rules and procedures of the Bank (up to and including termination of employment and commencement of civil as well as criminal proceedings in the court of law).
- 17.2 For external parties, the Bank may on the basis of investigation report and recommendations, consider taking appropriate legal action against the concerned party.


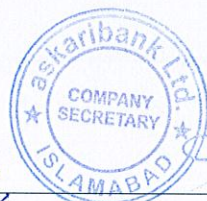



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17.3 There will be no adverse consequences for anyone who reports a whistleblowing concern in good faith. However, an employee who recklessly makes statements or disclosures that are not in good faith and / or without substantive proof may be subject to disciplinary procedures. Similarly, in case of such complaints lodged by outsiders, the Bank reserves the right to take appropriate action.

18.0 Monitoring

Board Audit Committee will monitor and oversee the whistle blowing process for which MIS summary of matter raised by whistle blowers and action taken by the Bank to resolve the same shall be presented to the BAC on a quarterly basis.

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Annexure A

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Whistleblower's Complaint Form

Please provide the following details for any suspected serious misconduct or any breach of suspected breach of law or regulation that may adversely impact the Bank and submit directly to "The Chairman BAC". You may be called upon to assist in the investigation, if required.

Note: Please follow the guidelines, laid down in the Whistleblower Policy.

SECTION 1 - REPORTER'S CONTACT INFORMATION

Name:

Designation:

Department:

Telephone:

CNIC:

Email:

SECTION 2 - COMPLAINT AGAINST

Name:

Designation:

Department:

Telephone:

CNIC:

Email:

SECTION 3 - WITNESS'S INFORMATION (IF ANY)

Name:

Designation:

Department:

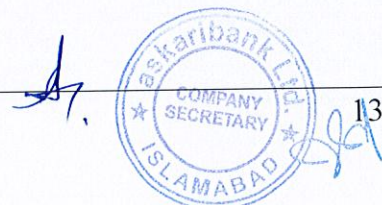
Telephone:

CNIC:

Email:

SECTION 4 - COMPLAINT

In the following columns, please briefly explain the misconduct / improper activity observed. Also, please intimate as how you came across about it. If there is more than one such allegation, indicate each allegation serially and use as many pages as necessary:



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What misconduct / improper activity occurred?

Who committed the misconduct /improper activity?

Where did it happen?

When did it happen?

When did you notice it?

Are there any other parties involved in this?

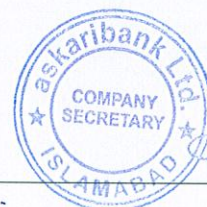
Is there any evidence* that you can share?

Any other helpful details / info:

Signatures:

Date:

* **You SHOULD NOT** attempt to obtain evidence for which you do not have a right of access since '*whistleblowers*' are '*reporting parties*' and NOT '*investigators*'.



Askari Bank Limited

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Note: Please follow the guidelines, laid down in the Whistleblower Policy.

SECTION 1 - COMPLAINT AGAINST

Name:

Designation:

Department:

Telephone:

CNIC:

Email:

SECTION 2 - WITNESS'S INFORMATION (IF ANY)

Name:

Designation:

Department:

Telephone:

CNIC:

Email:

SECTION 3 - COMPLAINT

In the following columns, please briefly explain the misconduct / improper activity observed. Also, please intimate as how you came across about it. If there is more than one such allegation, indicate each allegation serially and use as many pages as necessary

What misconduct / improper activity occurred?

Who committed the misconduct /improper activity?

Where did it happen?



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When did it happen?

When did you notice it?

Are there any other parties involved in this?

Is there any evidence* that you can share?

Any other helpful details / info:

Signatures (Optional)

Date:

* **You SHOULD NOT** attempt to obtain evidence for which you do not have a right of access since '*whistleblowers*' are '*reporting parties*' and NOT '*investigators*'.

