

UBA KENYA WHISTLE BLOWING POLICY

Policy Number: UBKNRCG 005

Classification: Internal

This Manual details the Whistle Blowing Policy for UBA as applicable in Kenya. It is the property of the Bank, and shall, under no circumstances, be copied, sold or reproduced for private or commercial use without the express permission of the Bank.

This new policy over-rides all extant policies and board decisions as it relates to the subject matter of this policy. The policy approval by the Board of Directors shall be appropriately communicated by the Company Secretary before it becomes operational and binding.

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Document Review

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SA = Signed Approval Required; **QA**= Quality Assurance Review; **FR** = Formal Review Required, **IR** = Informal Review, **AU** = Author of Document, **DOM** = Document Domestication

Approval

The UBA Kenya Whistle Blowing Policy version 3.1 was approved by:

Chairman on behalf of the Board of Directors		
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Statement of Commitment

The Board and Management of UBA Kenya is fully committed to ensuring open communication amongst employees and stakeholders. It is on the strength of this, that the Whistle Blowing Policy provides a channel for every employee/stakeholder, to comment freely and constructively on unethical conduct in the workplace. UBA Kenya is committed to ensuring that work related issues brought to its attention through these channels are investigated in a timely and objective manner.

Restriction

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1. Definition

- 1.1 The Whistle Blowing Policy is a rule/guiding principle that establishes a channel for every employee/stakeholder to freely comment constructively on issues concerning the Bank or report any alleged unethical conduct of employees, management, directors or other stakeholders that has or may have negative consequences to the Bank without fear of disclosure of his or her identity.
- 1.2 A whistle-blower is any person(s) including employee, management, directors, depositors, service providers, creditors and other stakeholder(s) of the Bank who reports any form of unethical behavior or dishonesty through the Whistle-Blowing Channels to the appropriate authority.
- 1.3 Whistle Blowing Channels as shall be referred to in this policy include the following:
- i. Dedicated email addresses
 - ii. Dedicated Telephone Numbers (Toll Free Lines)

Item (ii.) shall include receipt of reports via Telephone Calls, SMS and WhatsApp.

2. Introduction

- i. To foster a healthy Corporate Governance environment within any institution, it is important that there are robust policies around Ethics, Professional Conduct and Corporate Governance which are well documented and communicated and is in line with the CBK Code of Corporate Governance for Banks and other regulatory guidelines for Whistle Blowing in the Kenyan Banking Industry.
- ii. Due to the nature of these policies, their breach would normally be concealed by the perpetrators. It is therefore imperative to create an environment that enables any stakeholder who is aware of such misconduct to “blow the whistle”.
- iii. The Bank treats instances where these high standards are not met seriously as non-compliance could be damaging to the reputation of the bank, both from a commercial and regulatory perspective.

- iv. It is in this context that the Bank has instituted this Whistle Blowing policy; the overall objectives of this policy are set out in Section 3.

3. Objectives

- i. Encourage well-meaning employees, management, directors, depositors, service providers, creditors and other stakeholders of the Bank feel confident in raising serious concerns in the workplace, particularly with respect to issues bordering on corporate governance, as well as Code of Professional Conduct and Ethics.
- ii. Provide avenues by which these concerns could be raised without fear of reprisals.
- iii. Provide adequate processes and procedures which would be followed to investigate and dispose of the concerns raised.
- iv. Provide feedback on actions taken by management.
- v. Submit quarterly report to the Board.
- vi. Submit periodic reports to the relevant regulatory authorities as may be required from time to time.

4. Individuals Covered

- i. For the purpose of this policy, personnel shall include Directors, permanent staff, unconfirmed staff, ex-employees, and contract/agency staff irrespective of whether on temporary suspension or any form of leave.
- ii. All consultants, contractors/suppliers including blacklisted and suspended and whether retained in a long-term relationship or a one-off relationship.
- iii. All customers including those with a one-off relationship.

5. Reportable Incidents

All personnel as defined in Section 4 above are to discreetly provide information that is related to a breach of the Code of Professional Conduct and Ethics and Corporate Governance Code. Reporting or disclosure of information shall not be malicious, baseless or

intended to undermine the integrity of people within and outside the Bank. Any false allegations found to have been made deliberately or maliciously by an employee will be considered to be a disciplinary offence and will be subject to the provisions in the Human Resources Disciplinary Process and Sanctions Policy.

The following is a non-exhaustive guidance list of reportable incidents:

- i. All forms of financial malpractice or impropriety or fraud.
- ii. Failure to comply with a legal obligation or statute.
- iii. Actions detrimental to Health and Safety or environment.
- iv. Any form of criminal activity.
- v. Improper conduct or unethical behaviour.
- vi. Failure to comply with regulatory directives.
- vii. Other forms of corporate governance breaches.
- viii. Connected transactions.
- ix. Insider abuses.
- x. Non-disclosure of interest/Conflict of interest.
- xi. Leaking of confidential or proprietary information.
- xii. All acts/omission capable of posing a risk to the bank's stakeholders.
- xiii. Mismanagement, gross wastage or misappropriation of Company funds/assets.
- xiv. Abuse of authority.
- xv. An act of discrimination or sexual harassment.
- xvi. Unofficial use of Company's material/human assets.
- xvii. Abuse of expense policy.
- xviii. Attempts to conceal any of these, etc.

The following do not constitute reportable incidents:

- i. Staff complaint about management decisions on recruitment, internal employment/deployment, promotions, incentive sharing and other job related issues which are covered under a separate policy.

- ii. Customer complaints about the bank's products including pricing, service delivery and relationship management which are standard and applicable to all customers of the bank.
- iii. Complaints about boss, subordinates or fellow colleague in matters related to job responsibilities, on the job relationship and other matters that are of a private nature.
- iv. All other matters for which there exists a specific complaints procedure policy.

The above does not constitute an exhaustive list of exclusions.

6 Protection for Whistle Blowers

- i. In order for a disclosure to the Bank to be protected, it has to be made in good faith.
- ii. The Bank fully encourages anonymous whistle blowing. Therefore, genuine whistle blowers are encouraged to provide useful information through the approved whistle blowing channels.

However, a whistle blower who is desirous to disclose his/her identity shall be free to do so. Where the identity of the whistle blower is disclosed, such identity shall remain confidential. Furthermore, in the extremely unlikely event that the confidentiality of the whistle blower is compromised, the Bank shall do everything within its power to protect such person from any reprisals or victimization of any sort.

7 Procedure for Whistle Blowing

- 7.1 In order to aid investigations, the whistle blower shall before lodging a report, gather as much facts as possible, such as dates to events, reference documents, details of accounts involved etc.
- a) Disclosures call to a hotline as posted on our website, www.ubakenya.com. This can also be done via SMS and WhatsApp.
- 7.2 By clicking on the “blow a whistle” link hoisted on the bank’s website or sent directly to whistleblowingken@ubagroup.com;
- i. A whistle-blower shall disclose any information connected with the activities of the Bank which shall indicate any of the following:
- b. that an infraction has been committed;
- c. that a person has failed to comply with banking laws, internal policies and procedures, etc; and that someone has concealed matters falling within (a.) or (b).
- 7.3 Confidential disclosures could also be made directly to any of the following persons:
- i. The Country Chief Inspector and the MD/CEO.
- ii. Head, Risk Management & Head of Compliance
- 7.4 Where a whistle is being blown via the hotline, the recipient may ask a few relevant questions to aid the investigation process.
- 7.5 Where a whistleblower has chosen to remain anonymous, a call deal shall be reached between the whistle blower and the recipient at the point of reporting. This deal shall spell out pre-agreed times where the whistle blower shall call the hotline to offer further clarifications on the reportable act.
- 7.6 The Country Chief Inspector shall do a random check on the telephone number and e-mail address from time to time to ensure their functionality.

8 Standard of Proof

- a. It shall not be necessary for a whistle blower to prove that the act concerned has or would occur. A reasonable belief that the act has or would occur is all that is necessary.
- b. Even in instances where the identity of a whistle blower is known, no action shall be taken against a whistle blower who in good faith makes an allegation which is not confirmed upon investigation.

9 Process of Investigation of Incidents

- a. On receipt of a whistle blowing report, basic information on such report is immediately documented. The information should include the name of the whistle blower, his or her e-mail address and telephone number, a description of the incidence and the place where the incident occurred. The information collated above is then forwarded to the **Country Chief Inspector** who will immediately appoint an investigation team to discreetly investigate the case.
- b. Subject to the complexity of each case, an investigation shall take a maximum of four (4) weeks to conclude.
- c. Updates of incidents reported, investigated and disciplinary actions taken could be communicated to the whistle blower (where applicable) in a manner that conceals the identity of all parties.

9.1 Feedback Process

- i. A whistle blowing report shall be acknowledged by the whistle blowing recipient(s) upon receipt to assure the whistle blower that action is being taken on the report.
- ii. From time to time, learning points from the whistle blowing cases investigated shall be shared with staff through sensitization memos.
- iii. A whistle blowing statement shall be published in the Compliance newsletter on a quarterly basis. This statement shall highlight:
 - a. The number of whistle blowing cases received in the quarter under review
 - b. The number of recipients of the reward scheme

10 Reward Scheme

The Bank is earnestly committed to ensuring that we harbour an environment that operates with the highest ethical standards. As a demonstration of our commitment to this Whistle Blowing Policy the bank will, subject to its discretion, consider rewarding staff whose disclosures lead to the protection of the Bank's assets or human capital.

The Whistle Blowing Policy provides a reward scheme where staff disclosures lead to the protection of the Bank's assets or human capital. Consequently, Whistle Blowers of substantiated cases are rewarded quarterly after the conclusion of investigation and approval of the reports, based on approved grid for reward by the MD/CEO from time to time.

10.1 Objectives of the Reward Scheme

- i. To lay down the qualification criteria and guidelines for the determination of the reward payable to whistle blowers on a quarterly basis.
- ii. To establish the payment procedure for the reward scheme.

10.2 Reward criteria

- i. Only substantiated acts which are reported using any of the whistle blowing channels would be rewarded.
- ii. A whistleblower who upon investigation is found to be a perpetrator or one of the perpetrators of the whistle blowing act would not be rewarded.
- iii. A whistleblower would be rewarded where the disclosure is substantiated and leads to the protection of the bank's asset.

In arriving at the reward, the following would be considered:

- i. Accuracy and the quality of information provided to aid prompt investigation of the case.
- ii. Timeliness of the Whistle blowing report (gap between the date of occurrence of the incidence and when it was escalated).
- iii. Amount of Potential or Actual loss involved.

- iv. Weight of the Potential or Actual loss involved. The reward should be weighed against the actual savings made either Financial or otherwise
- v. The nature of risk exposed.

10.3 Payment Procedure

- i. Once a whistle blowing disclosure has been substantiated, the whistleblower shall be discreetly contacted to provide his account details.
- ii. Upon receipt of the account details, the whistleblower's account shall be credited with the reward.
- iii. The identity of the whistle blower shall remain confidential. Use of account other than that in the name of the whistleblower to receive the reward is therefore allowed/encouraged.

10.4 Management of the whistle blowing database

- i. The whistle blowing database shall be maintained by Internal Audit.

The Whistle Blowing data shall form part of the MIS provided to senior management.

The framework for approving the amount shall be approved from time to time by the MD/CEO.

Glossary

Phrases	Interpretation
Whistle blowing recipient	This will in all cases be the Regional CEO, the Country Chief Inspector, the Group Chief Internal Auditor and Group Managing Director
Conflict of Interest	A situation where a person in a fiduciary position has a private interest sufficient to appear to influence the objective exercise of his official duties e.g. receiving gifts from a contractor in order to influence the award of a contract.
Manipulation of Company records	Changing/presenting the bank's records/data in a way that is false e.g. falsifying figures in order to conceal fraudulent acts/misplacing/destroying the bank's records in order to cover up fraudulent act.
Leaking of confidential information	Disclosure of confidential/sensitive information to unauthorized persons e.g. Releasing internal memos to third parties.
Mismanagement/ Misappropriation of funds	Dealing incompetently/dishonestly with funds/asset in order to use for an improper or illegal purpose e.g. using the bank's/customer's funds to obtain personal gain.
Abuse of authority	An arbitrary exercise of power that adversely affects the rights of a person.
Sexual harassment	Unwelcome verbal, visual or physical conduct of a sexual nature that is pervasive or severe and affects working conditions e.g. verbal or written sex based jokes.
Whistle blowing	This occurs when an employee/stakeholder raises a concern of legal/ethical issues particularly about the organization they work for through the dedicated media, to the dedicated recipients.
Whistleblower	An employee/stakeholder who reports concerns about misconduct in an organization.
Retaliatory acts	Victimization, Reprisals, Reprimand, Suspension, denial of benefits/promotions. Withdrawal/denial/suspension of business relationship.

