

WHISTLEBLOWING POLICY AND PROCEDURE



Version 6.0

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*The sign-off of this document by all stakeholders authorizes the immediate implementation of **Whistleblowing policy** at Keystone Bank Limited.*

Change Control

The contents of this document are subject to change control.

Classification

This document has been issued strictly for internal business purposes of Keystone Bank Limited.

1.0 Introduction

The CBN Corporate Governance guideline enforced effective August 2023 reiterated that Banks shall comply with Recommended Practice 19 of NCCG 2018, as well as the provisions of the extant CBN Guidelines for Whistleblowing for Banks and Other Financial Institutions in Nigeria. This is for the creation of Whistleblowing Policy and Procedure for any person to confidentially report any unethical activity/breach of the Corporate Governance Code, using among others, a special email or hotline to both select Bank Officials and the Central Bank of Nigeria (CBN).

Keystone Bank is committed to providing an enabling environment for whistleblowing by any concerned stakeholders. The bank's policy and procedures are designed to promote stakeholders' interests and provide protection for whistleblowing on wrong doings. The Bank shall continue to encourage stakeholders to raise all concerns they have with the Bank.

Keystone Bank, as a responsible corporate institution upholds the highest standards of ethical business and personal conduct, integrity and professionalism. While reaching our business goals is critical to our success, equally important is the way we achieve them.

The Bank shall investigate whistleblowing reports promptly and with strict confidentiality and will not retaliate or undertake action against any stakeholder for filing a report or assisting another stakeholder in doing so. However, stakeholders shall be discouraged from making deliberate false whistleblowing. Stakeholders shall include both internal and external whistleblowers.

While employees shall be the internal whistleblowers who report incidents of misconduct involving peer/colleague, a supervisor or a top management official, external whistleblowers shall include other stakeholders other than employees of the bank.

1.1 Objectives of Whistleblowing Policy

The objectives of the Policy are to:

- ❖ Provide an enabling environment for all stakeholders in the Bank to disclose information about an event, act or omission that they reasonably believe could affect negatively the wellbeing of the Bank, any of its stakeholders and the public.
- ❖ Encourage employees and stakeholders of the Bank to feel confident in raising serious concerns and questions on the Bank without fear of victimization.
- ❖ Establish a structured process that should be followed to investigate the concerns and provide feedback on action taken.
- ❖ Stipulate procedures that employees and stakeholders shall follow when they perceive that their concerns are not being properly addressed.
- ❖ Foster a working environment that thrives on openness, integrity and accountability.
- ❖ Live a public image that supports and encourages transparency, accessibility, and commitment to fiduciary responsibilities.
- ❖ Lay a foundation for ethical practices that expounds the principles of good corporate citizenship.

- ❖ Protect the whistle-blower from reprisals, reprimand, and undue termination of services or discriminatory treatment arising from the making of the complaints or disclosure of an act.
- ❖ To provide an opportunity to employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Bank's code of conduct.
- ❖ Comply with the regulatory requirements of the CBN Guidelines for Whistleblowing and Code of Corporate Governance for Banks.

1.2 Scope of the Policy

This procedure applies to all employees and other relevant stakeholders of the Bank and to third parties who may elect to use this procedure.

1.3 Rationale for Whistleblowing Policy

- I. By providing an avenue where possible Corporate Governance breaches or other issues at branches, Departments, and units, are disclosed, the policy helps to ensure long term sustainability of the Bank.
- II. The policy allows unhindered disclosure of information that enables senior management to promptly respond to potential problems before they escalate further.
- III. By providing a process for safe whistleblowing and obtaining valuable information, it helps the Bank protect its customers, shareholders, reduce financial crime and maintain market confidence in the Bank.
- IV. The development and implementation of the whistle-blower policy enables the Bank to meet the requirements of the CBN Corporate Governance framework which helps in strengthening confidence in Nigeria's financial system as a whole and stimulate the interest of international investors in the Nigeria's economy.

1.4 Whistleblowing Procedure

- I. Every Staff of the Bank can submit a whistle-blowing report through the available whistle-blowing mechanism provided by the Bank.
- II. The whistle-blowing mechanism of the Bank includes a dedicated hotline, email address and whistle-blowing portal that could be used anonymously to report unethical practices.
- III. The Chief Internal Auditor shall review and investigate reported cases and recommend appropriate action to the MD/CEO and where issues affect Executive Management, such issues shall be referred to the Board. The Board or CEO shall take appropriate action to redress the situation within a reasonable time.
- IV. The Chief Internal Auditor shall provide the Chairman of the relevant Board Committee with a summary of cases reported and result of the investigation.
- V. The disclosure is deemed to have been made in accordance with this Policy if the whistle-blower discloses to the Bank, other financial institutions, CBN and/or other appropriate agencies or exercise any other lawful option provided that such disclosure is
 - True
 - Reasonable

2.0 Guidelines for Keystone Bank Whistleblowing

2.1 Qualifying Disclosures

The policy covers the disclosure of information relating to any of the acts or omissions listed below:

- I. All forms of financial malpractice or impropriety or fraud;
- II. Failure to comply with a legal obligation or status;
- III. Actions detrimental to Health & Safety or the 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. Attempts to conceal any of these;
- XI. Complaints on staff - boss relationships, etc.

The above are largely recognized as weaknesses in Corporate Governance of bank in Nigeria and Keystone Bank encourages all its staff and customers to promptly report any breach or suspected breach of any codes including other regulations, policies and procedures or any alleged irregularities.

2.2 Non-Qualifying Disclosures

The whistleblowing policy does not allow for disclosure of information:

- I. Considered to be malicious, false, and baseless or aimed at undermining the integrity of persons within and outside the Bank;
- II. On job related issues which are already covered by other policies of the Bank or which could be disclosed through other internal information channels. Some of these issues include;
 - a) Staff complaints related to management decisions on recruitment, employment, deployment, promotion and incentives sharing;
 - b) Complaints about bank's product bordering on pricing, service delivery and relationship management; and

2.3 Non-exclusive procedure

This Whistleblowing Policy does not replace in any way, other policies and procedures but complements procedures established or to be established for communication of genuine concerns about the running of the Bank.

2.4 To whom should a breach be reported?

2.4.1 Dedicated Hotlines:

Keystone Contact Centre Officer - ContactCentre@keystonebankng.com; 070020003000;
and/or whistleblowing@keystonebankng.com or
/whistleblowing_group@keystonebankng.com

Dedicated Internal Contacts:

Chairman Board of Directors through the Company Secretary
MichaelAgamah@keystonebankng.com; +234-1-4487830; 08023034023

Chief Internal Auditor – BiodunOkusami@keystonebankng.com; 08033534920; 09087500623

Chief Compliance Officer – OluwasegunOlatona@keystonebankng.com; +234-1-4487899;
08023189036

In general, breaches should be reported via contact details above or through the whistleblowing portal.

2.4.2 Creation of a Portal for Whistleblowing for staff

To facilitate a seamless and confidential reporting of issues using the whistleblowing option, a portal has been created for staff to log into and give information. Input of name is optional. Reports logged on to the portal can only be accessed by the Chief Internal Auditor.

The whistleblowing portal allows for 100% confidentiality in the reporting and escalation of events and can be accessed through <http://10.40.18.33/whistle/> in the Bank's intranet.

- I. The whistle-blower is not required to use his or her login credentials (username and password) to enter the portal.
- II. The portal is user-friendly, and the information input process is self-explanatory. The user can also attach or upload documents on the portal.
- III. Whilst reporting/inputting, the whistle-blower may choose to reveal his or her identity or remain anonymous.
- IV. If the whistle-blower chooses to be anonymous, his/her identity will remain protected. It will not be revealed to anyone (not even the officers authorized to download information from the portal).
- V. If a whistleblower reports a breach in which they are involved, they will not be granted immunity from the consequences of that breach as the bank do not tolerate any wrongdoing, irrespective of its magnitude or significance.

Where the concerns or allegations relate directly with the activities of the Bank's management and the whistle-blower determines that the concerns are best disclosed to parties outside the Bank, then the stakeholder may consider any of the channels listed below:

- I. Dedicated Public Complaint Boxes in all our offices- these boxes shall only be opened by the resident control officer in the branch or cluster who shall forward the complaints in sealed envelope to the Chief Internal Auditor.

- II. Chairman of the Board Audit Committee
- III. The Chairman of the Board of Directors
- IV. The CBN public complaints desk/Consumer Protection Department/Ethics & Anti-Corruption Helpline: +234-9-462-39246; +234-9-462-36000; ethicsoffice@cbn.gov.ng, anticorruptionunit@cbn.gov.ng.

2.5 What should the report contain?

The Bank shall have difficulty investigating reports that do not provide sufficient details regarding a breach. The report of the whistle-blower should therefore contain as much information as possible, including the person(s) involved, any witnesses and the location of any other information that would assist in investigating the Breach.

2.6 Receipt of a Complaint

- I. Upon receipt of a whistleblowing report, it shall be forwarded to Chief Internal Auditor of the Bank who shall, where possible acknowledge receipt of the complaint from the sender. However, considering most complaints will be anonymous, it is understood that such acknowledgement may not be possible in most cases.
- II. The Chief Internal Auditor shall verify that the complaint pertains to a matter covered by this policy and subsequently develop or recommend a strategy for the investigation of the complaint.
- III. The Chief Internal Auditor shall thereafter promptly investigate and/or resolve the issue.
- IV. The Whistle-blower (where the identity is known) shall receive a report within 7 days of the initial report, regarding the investigation, disposition, or resolution of the issue.
- V. The Whistle-blower may have recourse to the Board through the Board Company Secretary where the investigation of a whistleblowing report submitted in good faith was deemed not to have been done satisfactorily.

2.7 Anonymity

- I. The Bank encourages staff to report any Breach directly and openly to their line-manager, management, the Chief Internal Auditor without fear of victimization.
- II. It is however recognized that under certain circumstances, stakeholders may file a report anonymously. It should be noted that anonymous reporting by nature may hinder or complicate any investigation that may follow and may prevent appropriate action from being taken.
- III. At any time, the identity of the Whistle-blower is exposed and may affect his continuous stay at the present branch/location, the affected staff will be transferred to another convenient location.

2.8 Confidentiality

- I. All reports of a Breach shall be handled in a confidential manner. Confidentiality shall be maintained to the highest possible extent, consistent with the need to conduct an adequate investigation of the report and to perform subsequent remedial measures.

- II. Employees shall avoid any form of external or internal publicity concerning any Breach they might want to report or have reported, unless required to do so by law.
- III. The identity of the Whistle-blower, if known, shall remain concealed to those persons in breach, unless the issue requires investigation by law enforcement, in which case members of the organization are subject to subpoena.

2.9 Protection

- I. Any employee who reports a Breach, which the employee reasonably believes to be true, shall be given protection for such reporting.
- II. Staff are encouraged to disclose their names when filling reports to make their reports more credible. However, anonymous disclosures may be considered on discretionary basis considering the following factors:
 - a) The seriousness of the issues;
 - b) The significance and credibility of the concern; and
 - c) The possibility of confirming the obligation.
- III. In making a disclosure through whistleblowing, the staff should exercise due care in reporting his/her concern, if however, the staff makes malicious allegations, and particularly if he or she persists with making them, the staff shall be counselled to desist from making malicious allegation.
- IV. This protection means that the Bank shall not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment based upon the lawful action of any such employee with respect to good faith reporting of a matter covered by these procedures.
- V. The Bank shall not tolerate any form of threat, retaliation or other action against an employee who has made or assisted in the making of a report of Breach. Any such threat, retaliation or other action must immediately be reported to any of the contacts above.
- VI. Anyone who retaliates against the Whistle-blower (who reported an event in good faith) will be subject to disciplinary action, including termination of employment.

2.10 Incentives for Whistle Blower

To encourage staff and other relevant stakeholders use the whistleblowing facility to report issues, the following set of incentives shall be offered for whistleblowing reports that are investigated and found to be valid, anonymous:

- I. Letter of Commendation: Where the whistleblowing leads to prevention of fraud, a letter of commendation signed by the Group Head, HCMD and the MD/CEO on behalf of the Bank. However, where the issue involves the MD/CEO, a letter of commendation signed by the Company Secretary and Chairman.
- II. Monetary Reward: Where the disclosure relates to any financial mismanagement leading to recovery of funds by the bank, the whistle-blower may be rewarded or entitled to an exact amount of the recovered funds which shall be determined by EXCO/Board as may be applicable.

- III. Restitution: Where a Whistle-blower suffers a loss or detriment because of any disclosure, the whistle-blower shall be compensated after the disclosure has been investigated and found to be valid.

2.11 Investigation

- I. If the report of a Breach bears enough justification, an investigation shall commence immediately.
- II. Unless handled directly by the regulatory or statutory agencies, Audit Committee or the Board, investigation of reports of a Breach shall be the responsibility of the Chief Internal Auditor, who may involve appropriate persons in other functional areas of the Bank or any other specialists as required.
- III. Staff are not allowed to conduct or initiate otherwise any investigation (independent or otherwise) or to take any action against a breach or the suspected persons without the authorization of the nominated officers for whistleblowing purposes or the Chief Compliance Officer of the bank.
- IV. Closure: By information confirming whether allegations are true or misconstrued.
- V. Anonymous Reportage: Whistle-blower may provide alternative means of communication where he/she so desires.

2.12 Evidence

Evidence and documentation shall be preserved as per the instructions of the Chief Internal Auditor in accordance with reporting instructions/requirements, disciplinary procedures, and applicable policies.

2.13 Co-operation

- I. Management is obligated to fully co-operate with and assist the investigators and other parties engaged to investigate a Breach.
- II. All levels of Management are expected to give adequate attention to the handling of all matters concerning a Breach seriously, confidentially and promptly.

2.14 Feedback

If requested, any staff making a whistle-blowing report may receive general information on the progress and closing of the investigation and its outcome, unless giving such feedback would be detrimental to the investigation. This is subject to where the identity of the whistleblower is revealed.

2.15 Records

- I. The Chief Internal Auditor shall maintain a log of all reports received by him/her, tracking their receipt, investigation and resolution, and shall prepare periodic summary reports on whistleblowing activities thereof for the MD/CEO and the Board Audit committee.
- II. Copies of such reports and logs will be maintained in accordance with applicable policies and procedures.

3.0 Rendition of Report to CBN

In compliance with Section 4.10 of the CBN Guidelines for Whistleblowing, the Bank shall send quarterly returns to CBN on all whistleblowing reports and Corporate Governance related breaches. The soft copy of the returns shall be sent to bsdreturns@cbn.gov.ng.

3.1 Disciplinary action

- I. Staff suspected of a Breach shall not be considered guilty unless the allegations or suspicions have been proven and they have been given the opportunity to defend themselves.
- II. Executive Management shall be responsible for implementing measures (disciplinary or otherwise) deemed necessary as a result of established breach incidents in conjunction with the recommendations of the Disciplinary Committee.
- III. When such measures deviate from those recommended by the Disciplinary Committee, they will require the prior approval of the MD/CEO of the Bank or the Board.

4.0 Responsibilities of Stakeholders

4.1 Staff

- I. To be guided by the provisions of this policy.
- II. In making any disclosure, the whistleblower must be guided by the truth and avoid false reporting.

4.2 Supervisors

- I. To make their staff aware of this policy and procedures.
- II. To encourage a positive open working culture for staff and other stakeholders to express easily their concerns.
- III. To take breaches seriously.
- IV. To guide staff on the most appropriate course of action to take whenever there is breach.
- V. To refer reports made under this whistleblowing policy to the CCO or Chief Internal Auditor within 48 hours of receiving the report.

4.3 Chief Internal Auditor

- I. To acknowledge receipt of disclosure to the whistle-blower.
- II. To indicate to the whistle-blower, where possible, how management proposes to investigate the disclosure and the likely timescales.
- III. To conduct investigations into all whistleblowing reports except those that relate to him or staff of his division, which shall be handled by the Head, Internal Control or his designate.
- IV. To keep the whistle-blower informed of progress on a regular basis.
- V. To take concerns seriously, to consider them fully and fairly.
- VI. To resolve issues as expeditiously as possible.
- VII. To communicate the findings to the individual(s) under investigation and, if appropriate, Executive Management, Board, or other external authorities (CBN)

- VIII. To keep a confidential log to assess effectiveness of the policy and any emerging trends.
- IX. To provide periodic anonymous reports on disclosures to the MD/CEO for inclusion in his report to the Board.
- X. To provide assurance on the implementation of the policy and make recommendations for amendment where necessary.

5.0 Policy Review

This Policy shall be subject to review every three years in line with CBN Whistleblowing Guideline. However, where there are developments in the regulatory environment that necessitate amendment, the review period may be shortened.