

Policy: Whistle blowing

Type: Governance & Assurance

Policy Owner: Head, Financial Crime Control (FCC)

Supported by: Operational Risk & Compliance
Committee (ORCC)

Date: 18 July 2014

Supported by: Executive Committee (EXCO)

Date: 17 July 2014

Approved by: Board Audit Committee

Date: 22 July 2014

Review Date: Annual Review Required

1. Confidentiality

“This document has been classified as “confidential” and is issued strictly for internal business purposes of Stanbic IBTC Holdings PLC and its subsidiaries”.

2. Copyright

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3. Policy statement

Stanbic IBTC Bank PLC otherwise referred to as “the “Bank” actively encourages its employees to embrace its values, especially in respect of upholding the highest levels of integrity. Consequently, the obligation exists for the Bank’s employees to report any unlawful, irregular or unethical conduct that they observe. The Bank in response to cases of whistle blowing, will apply the highest standards of accountability and corporate governance.

4. Policy scope

The Bank’s whistle blowing policy provides for the following:

- Where an employee discovers information, which s/he in good faith believes shows wrongdoing within the Bank, it should be disclosed without fear of reprisal;
- No employee shall be disadvantaged when reporting legitimate concerns;
- The Bank undertakes to protect the identity of any employee who in good faith makes a report in accordance with the procedures set out in this policy; and
- The Bank will not protect the identity of any employee who maliciously makes false reports; and appropriate disciplinary action will be taken, in such cases.

This Policy prohibits person specified from blowing whistle to the Press, Public Office and media (social and otherwise).

The Bank’s whistle blowing policy is not intended to be utilized for the reporting of petty disputes, grievances, false or misleading disclosures, matters currently under disciplinary enquiry and matters already pending before the Courts.

5. Roles and responsibilities

Board of Directors

Upholds a culture of integrity and ethical behaviour and accordingly approves and fully endorses this policy.

Board Audit Committee

- Approves and fully endorses this policy;
- Assists the Board of Directors in fulfilling their oversight responsibilities with regards to the prevention, detection and response of financial crime.
- Supports implementation of this policy;
- Reviews reports on significant non-compliance with this policy; and
- Retrospectively reviews and ratifies exception approvals to this policy granted by either the Management Executive Committee (EXCO) or its designated assignees.

Stanbic IBTC Bank Management Executive Committee (EXCO)

- Supports implementation of this policy;
- Retrospectively review and ratify exception approvals to this policy granted by its designated assignee – Head Financial Crime Control

Financial Crime Control

- Establish an “Office for Whistle blowing” to handle reporting, investigations, feedback, monitoring and review;
- Implement and update this policy;
- Report on non-compliance with this policy to the Board Audit Committee;
- Monitor compliance with this policy;
- Provide whistle blowing disclosure to key stakeholders and the Board Audit Committee;
- Perform analysis of the whistle blowing disclosures made during the past calendar year;
- Act as complainant and the primary Stanbic IBTC Bank’s representative in disciplinary enquiries originating from whistle blowing investigations; and
- Approve requests for exceptions to this policy as a designated assignee to the EXCO.

Business Unit Management

- Put in place procedures, independent of line management, for the confidential reporting of legitimate concerns
- Establish standards for reporting concerns to management and Financial Crime Control in a secure and timeous manner

- Implement this policy and develop standards, where applicable, in line with this policy Monitor compliance with this policy
- Afford appropriate levels of protection to whistle blowers disclosing in good faith; and report any exceptions to Senior Management and any officer responsible for monitoring whistle blowing; and
- Respect and observe the requirement for Financial Crime Control to act as complainant and Bank's representative in whistle blowing investigation matters that reach disciplinary enquiry.

Line Management

Accept responsibility in ensuring that all new and current employees are informed of the Bank's policy and expectations in relation to the confidential reporting (whistle blowing) process/mechanisms.

6. Whistle blowing procedures and standards

The Bank takes seriously its commitment to its values, business principles, ethical and legal behaviour. For this reason, mechanisms are in place to facilitate the reporting of unethical and/or illegal behaviour, breaches of its values and business principles.

6.1 What can be reported?

In terms of these mechanisms, valid concerns regarding the following can be reported:

- Conduct which is inconsistent with the Bank's stated vision and values, its code of ethics and policies and procedures, as they may be published and communicated from time to time;
- Violation of law;
- Abuse of company resources and assets;
- Danger to the health and safety of any individual; and
- Deliberate concealment of information.

6.2 Who can raise a concern?

Any staff member, supplier and contractor, who has a reasonable belief that there is an incident or impending incident which relates to any of the matters specified in the above paragraph, may raise a concern in terms of the procedure reflected below.

Concerns must be raised without malice, in good faith, not for personal gain and the individual must reasonably believe that the information disclosed, and any allegations contained in it, are substantially true. The issues raised may relate to a manager, another member of staff, or a group of staff, customers, contractors or vendors.

6.3 How are concerns raised?

The Bank wishes to assure the safety of whistle blowers and therefore undertakes to treat all

whistle blowing reports as confidential. The choice between the selections of “**confidential**” or “**anonymous**” whistle blowing is that of the whistle blower alone.

Employees may make a confidential report through the line management channel, set out below, or alternatively, make either a confidential or an anonymous report through the whistle blowing hotline.

Employees also have the right to report a concern to the local authorities (e.g. police, regulator).

6.4 What is confidential whistle blowing?

A whistle blower may choose to reveal his or her identity when a report or disclosure is made. Should this be the case, the Bank will respect and protect the confidentiality of the whistle blower, and give assurance that it will not reveal the identity of the whistle blower.

The only exception to this assurance relates to an overriding legal obligation to breach confidentiality. Thus, the Bank is obligated to reveal confidential information relating to a whistle blowing report if ordered to do so by a court of law.

An advantage for the Bank of a confidential (as opposed to anonymous) report is that it is better placed to investigate the disclosure and request further information to assist the investigation where required.

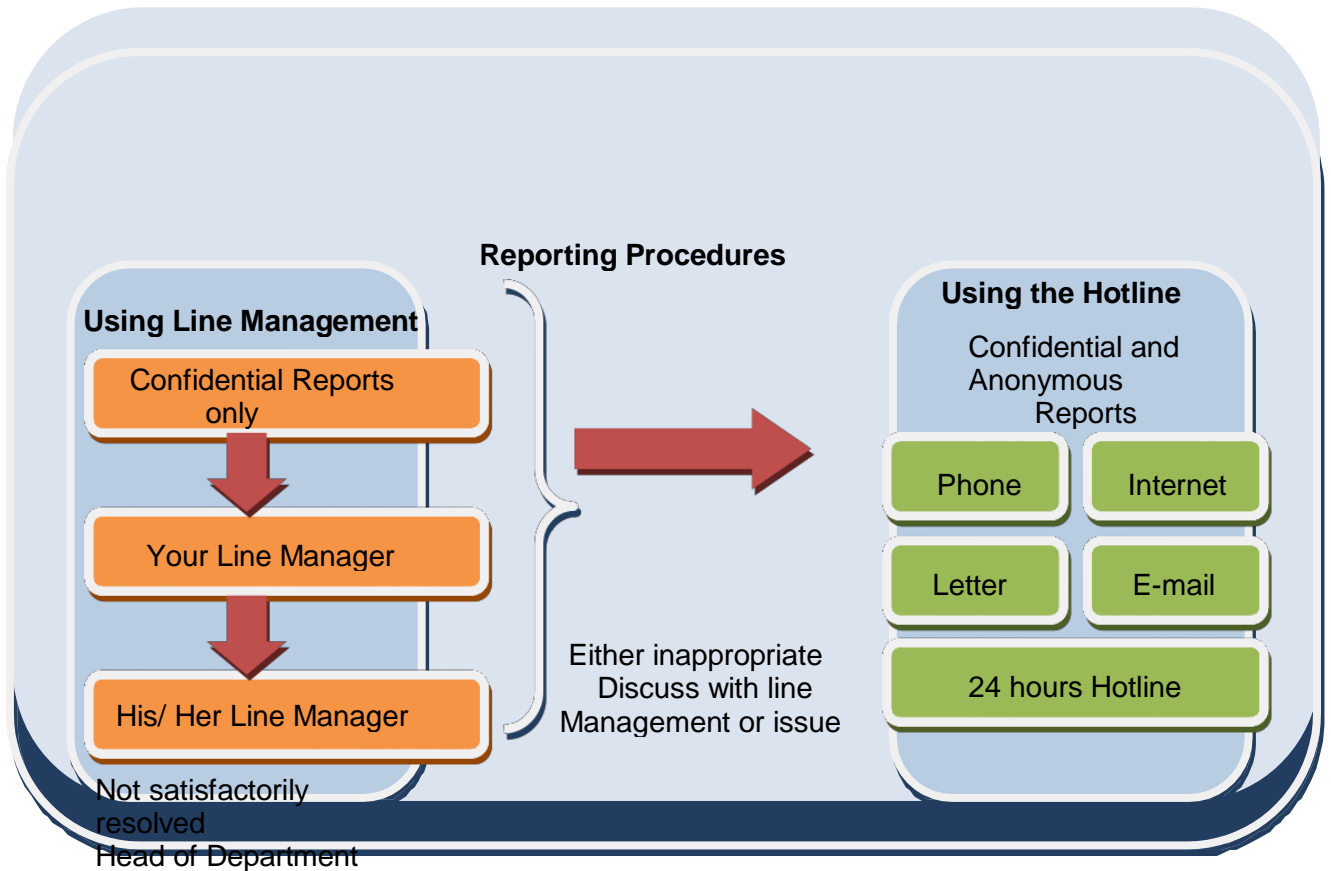
Importantly, the Bank’s assurance of confidentiality can only be completely effective if the whistle blower likewise maintains confidentiality.

6.5 What is anonymous whistle blowing?

Alternative to confidential reporting, a whistle blower may choose not to reveal his or her identity. The Bank has established a whistle blowing hotline which employees may use to report concerns. The hotline is managed by an independent third party audit firm (KPMG).

The systems of the audit firm are set up in such a way that electronic reporting is *non-traceable* through devices such as caller ID, and contractually, the audit firm is not permitted to divulge the identity of the caller to the Bank (in the event that it becomes aware of the caller’s identity).

The anonymity advantage to the reporter is counter-balanced by the disadvantage to the Bank’s financial crime investigation, in that it reduces the ability of the investigator to get further information relating to the allegations from the whistle blower. The anonymous whistle blower should be careful not to reveal his or her identity to a third party.



To report an issue, it should be raised, in the first instance, with the reporter's line manager.

If the line manager is the subject of the matter, it should be reported to his/her line manager or the Head of Department.

As much information as possible should be provided, such as names, dates, places and transaction references. Should the line manager find substance in the reported matter, the matter will be escalated to Financial Crime Control (FCC).

The reporting line to be followed is as follows:

- Immediate line manager
- Head of Department; and
- Head of Financial Crime

Significant matters will also be reported to:

- EXCO through the Chairperson, Operational Risk and Compliance Committee
- Chairperson, Board Audit Committee ; and
- Chairperson, Board of Directors

6.6 Reporting to Hotline:

- The whistle blowing hotline may be contacted to make such a report;
- The reporter can choose to either make a confidential report or remain anonymous when making

such a report;

- An operator will answer the call and record the details of the concern the reporter wishes to report;
- During the conversation the operator will request as much information as possible to ensure that the investigators have sufficient information to commence an investigation; and
- Officials of the whistle blowing hotline will submit a report to the designated officials of the Financial Crime Control unit responsible for receiving and actioning such reports.

The independent whistle blowing hotline number for Stanbic IBTC Bank can be found in Appendix B of this policy.

Callers may choose to remain anonymous, but as mentioned previously, are encouraged to provide their names and contact details in the event of further investigation and for the purpose of providing feedback. However, callers may re-contact the whistle blowing hotline to request a feedback report from the investigation team and similarly the investigation team may request further information from the caller by leaving their request for information with the whistle blowing hotline.

6.7 Reporting to Head of Financial Crime Control:

If the reporting channels have been followed and the reporter still has concerns, or feels that the matter is so serious that it cannot be discussed as outlined above, the Head of Financial Crime Control, whose name and contact telephone number is reflected in Appendix A of this policy should be contacted.

6.8 Resultant Disciplinary Enquires

Where, upon completion of the Financial Crime Control investigation, it is identified that a disciplinary enquiry will be necessary; the disciplinary enquiry should be initiated and managed by Human Capital (HC).

Financial Crime Control is deemed to be the primary entity to act and speak on behalf of the Bank (as its appointed representative) in terms of, inter alia:

- The formulation and agreement of charges in consultation with Employee Relations and Human Capital;
- The selection and presentation of witness to the disciplinary enquiry;
- The leading and presentation of evidence at the enquiry; and
- The primary purpose of the aforementioned Financial Crime Control responsibilities is to ensure a Group wide consistent approach to the consequences management of integrity misconduct related offences

6.9 False or malicious disclosures

Anybody wishing to make a disclosure must guard against making allegations which are false

and/or made with malicious intent. The employer will not protect any employee who makes a report, knowing that the information provided is untrue. In such cases, disciplinary action may be taken against the person concerned and such misconduct will be regarded as serious.

6.10 Protection

The Bank will protect the whistle blower's identity, if the report or disclosure was made in accordance with the process set out in this policy. The Bank will maintain the confidentiality of such person even

- i. if he/she agrees to be identified;
- ii. if identification is necessary to allow the Bank or the appropriate law enforcement officials to investigate or respond effectively to the disclosure;
- iii. if identification is required by law or under the Bank's rules and regulations, where a false accusation has been maliciously made; or
- iv. if the person accused is entitled to the information as a matter of legal right or under the Bank's rules and regulations in the disciplinary proceedings. In such an eventuality, the Bank shall inform the whistle blower prior to revealing his or her identity.

Any retaliation, including, but not limited to, any act of discrimination, reprisal, harassment, suspension, dismissal, demotion, vengeance or any other occupational detriment, direct or indirect, recommended, threatened or taken against a whistle blower because he/she has made a disclosure in accordance with this policy will be treated as gross misconduct and dealt with accordingly.

Whistle blowers must ensure that they do not make disclosures outside of prescribed channels (e.g. media), or their disclosure may not be protected.

7. More questions?

7.1 Will the person be treated differently when raising a concern?

If a suspicion or concern was aired in good faith, the answer is "no".

7.2 What if the person is not entirely sure, only suspicious?

It can be difficult to have firm evidence of any wrongdoing. It is better to raise any concern so it can be looked into, rather than ignore it.

7.3 What about a personal work-related complaint or concern?

If there is a personal complaint or concern that affects the person as an individual, e.g. harassment, this should be raised using the Standard Bank GRG (Group Reference Guide) procedures for such matters. Advice on this matter is available from the Bank's Human Capital department. However, the hotline can be used as an alternative.

7.4 Will the person raising a concern get into trouble?

If the reporter has raised his/her concerns as set out in this guide, he/she will neither be considered a troublemaker nor a disloyal employee for raising concerns.

If the reporter is involved in the wrongdoing, the Bank will try to ensure that he/she does not face reprisals from other colleagues for having spoken out. However, he/she would still have to answer for their own actions and cannot expect immunity from disciplinary or criminal proceedings.

However, the fact that the reporter has disclosed his/her involvement in any wrongdoing will likely be taken into account.

7.5 What if the concerns involve a client of the Bank?

Clients are owed a duty of confidentiality under the Bank's policies and regulations with which the Bank must comply. It is vital to respect this. If the reporter genuinely believes a Client is involved in any illegal activity, the matter must be brought to the attention of the Bank's Head of Compliance or Head of Risk. This will ensure that the Bank can deal with the matter lawfully and correctly.

8. Implementation and review

The policy owner, the Head Financial Crime Control, is responsible for creating awareness of the policy, and the related standards in this document, including necessary induction, training courses and various forms of communication.

All breaches of the policy and the related standards should be recorded in the incident management system (Avanon).

The policy will be reviewed annually, unless circumstances dictate otherwise

9. Related information

This policy should be read in conjunction with the following documents:

- Disciplinary code conduct.
- Code of Ethics; and
- Group Reference Guide.

10. Policy administration

Contact person (FCC)

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Version of this policy

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