



**MCB BANK LIMITED**

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**WHISTLE BLOWING PROGRAM**

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**VERSION: 8 .0**

**FEBRUARY 2021**

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**1. DOCUMENT CONTROL SHEET**

<b>Title of the Document</b>	Whistle Blowing Program
<b>Owner of the Document</b>	Audit & Risk Assets Review (RAR) Group
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<b>Reviewed By</b>	Audit & RAR Group Human Resource Management Group
<b>Concurred By</b>	Chief Internal Auditor (CIA) Group Head Human Resource Management
<b>Recommended By</b>	Board's Audit Committee (BAC)
<b>Approved By</b>	Board of Directors (BoD)

## 2. OVERVIEW

MCB Bank is committed to continually operate at the highest standards of conduct in its business. We are the trustees of public funds and it is our core value to serve our community with integrity. We endeavor to earn and uphold the trust of all our customers, suppliers and other stakeholders by serving and dealing with them ethically, lawfully and professionally. As we are the custodians of public money, it is the responsibility of each and every one of us to ensure that we fulfill this commitment in our day to day working lives. Hence, all of the Bank's directors including the President/Chief Executive Officer (CEO) and employees (hereinafter referred to as "personnel") must always adhere to all applicable laws, regulations, rules, policies and our core values.

The Bank has adopted a Code of Conduct that establishes specific expectations regarding the behavior of its personnel reflecting fairness, transparency and accountability and is committed to maintaining an effective internal control environment to prevent and/or detect improper activities. Effective internal controls can also ensure accuracy of Bank's financial reporting and related disclosures. However, no system of internal controls can provide absolute safeguard against irregularities as well as (intentional or unintentional) violations of laws, regulations, policies and procedures. Therefore, all employees are encouraged to report and disclose any such fraudulent / unethical conduct or activity which may cause financial and reputational loss to the Bank. The Bank has a responsibility to investigate and address allegations of suspected fraudulent, wrongful or improper activities.

This Whistle Blowing Program serves to provide a channel for the Bank's staff and outside parties such as shareholders, vendors, customers etc. to voice their concerns and raise complaints against irregularities, Anti-Money Laundering (AML) / Combating the Financing of Terrorism (CFT) / Countering Proliferation Financing (CPF) related issues, help uncover financial malpractices, detect and prevent incidents of frauds & forgeries, eliminate personnel harassment, improper conduct or wrongdoing and attend to their grievances without any fear of reprisal or adverse consequences.

This Program has been formulated with an aim to further improve governance and quality of Bank's operations. It also embeds rewards for complainants / whistleblowers that help in unearthing & combatting wrongdoings/malpractices and mainly covers the cases that escaped other existing normal procedures and systems.

Bank staff and outside parties are encouraged to use the guidance provided in this Program to report any wrongdoing / improper conduct. This Program also provides assistance to individuals who come across any wrongdoing or improper conduct and are desirous of highlighting it without being identified. It is not designed to question financial or business decisions taken by the Bank nor should it be used to reconsider any matters which have already been addressed under other policies / procedures of the Bank. Employee related complaints received by the Whistle Blowing Function within Audit & RAR Group will be generally resolved through Human Resource Management Group (HRMG) and customer services related complaints through Service Quality Division (SQD), a function of Bank's Compliance & Controls Group (CCG). However, if customers / staff are not satisfied with resolution communicated by HRMG/SQD and

have not provided letter / email of satisfaction in this respect, then these complaints shall be raised to the Whistle Blowing Function by HRMG/SQD for further action(s).

**3. OBJECTIVE**

The objective of the Whistle Blowing Program is to address the concerns of Bank's staff and outside parties such as shareholders, vendors, customers etc. about irregularities, AML / CFT / CPF related issues, impropriety, financial malpractices, frauds & forgeries, personnel harassment and improper conduct or wrongdoing without any fear of reprisal or adverse consequences in order to strengthen the Bank's reputation and its overall performance.

**4. SCOPE**

The Whistle Blowing Program covers deliberate and voluntary disclosure of individual or Bank's impropriety by a person who has or had privileged access to information, event or data about an actual, suspected or anticipated wrongdoing within or by the Bank that is within its ability to control. The Program encompasses investigations to be conducted either directly by the management (HRMG/SQD) or through Audit & RAR Group, against complaints received by the Whistle Blowing Function regarding any irregularity, AML / CFT / CPF related issues, impropriety, financial malpractice, fraud & forgery, personnel harassment, improper conduct or wrongdoing.

**5. APPLICABILITY**

The Whistle Blowing Program is applicable to the entire Bank including its overseas operations.

**6. DEFINITIONS**

**a. Allegations**

This refers to accusing before proving with evidence.

**b. Complaint**

Any written or verbal expression of dissatisfaction from a person alleging financial loss or inconvenience due to provision of or failure to provide product or services by the Bank or any third party with whom the Bank has outsourcing arrangements.

**c. Customer**

Any entity or individual who has availed or is intending to avail any product / service from the Bank.

**d. Fraud**

This denotes an intentional twisting of the truth or concealment of facts. Employees might be guilty of fraud, for example, if they indulge in wrongful or criminal deception intended to result in financial or personal gain. Employers might be guilty of fraud, for example, if they maliciously lie about the advantages or disadvantages of the jobs they are offering, or as guise to illegally discharge employees. Fraud typically falls under tort or criminal law.

**e. Good Faith**

Good faith is an abstract and comprehensive term that encompasses a sincere belief or motive without any malice or the desire to defraud others.

**f. Improper Conduct or Wrongdoing**

For the purpose of this Program, improper conduct or wrongdoing is defined as:

- corrupt conduct;
- fraudulent activity;
- substantial mismanagement of MCB Bank's resources; or
- non-financial allegation of misconduct that would, if proven, constitute:
  - a criminal offence; and
  - presents reasonable ground(s) for dismissing or dispensing with, or otherwise terminating, the services of personnel who was, or is, engaged in that conduct; or taking other disciplinary action.

**g. Malicious**

Intent to cause harm without justification and regard for legal rights.

**h. Misconduct**

Misconduct is wrongful, improper, or unlawful conduct motivated by premeditated or intentional purpose or by obstinate indifference to the consequences of one's acts. Examples of misconduct include, but not limited to, financial fraud, violation of laws and regulations, violation of Bank's policies, immoral or unethical behavior or malicious practices, negligence of duty and threats to the Bank.

**i. Retaliation**

Retaliation means any act of discrimination, revenge or harassment directly or indirectly taken against a whistle blower, by any person, for making a disclosure under this Program.

**j. Vexatious Allegation**

Allegation which is intended to annoy / harass someone.

**k. Protected Disclosure**

For the purpose of this Program, protected disclosure is defined as:

"Any communication in good faith based on reasonable grounds that discloses or demonstrates an intention to disclose information that may evidence a wrongdoing or improper conduct".

**l. Protection**

Protection means all reasonable steps taken by the Bank to ensure confidentiality of the whistle blower's Identity and measures taken to protect the whistle blower from any criticism, vengeance, financial and / or other losses.

**m. Whistle Blowing**

For the purpose of this Program, Whistle Blowing is defined as:

"The deliberate, voluntary disclosure of Bank's or its staff's malpractice by a person who has or had privileged access to information, event or data about an actual, suspected or anticipated wrongdoing within or by the Bank that is within its ability to control."

**n. Whistle Blowing function**

An operationally independent function established within the Audit & RAR Group for receiving, handling and monitoring allegations, complaints and concerns raised by a complainant / whistle blower.

**o. Whistle blower**

For the purpose of this Program, a Whistle blower is defined as: "Bank's employee, director, related officer, contractor, service user, shareholder, vendor, customer or any member of public, who makes or attempts to make a disclosure of an irregularity, financial malpractice, fraud, forgery, personnel harassment, improper conduct or wrongdoing."

**p. Suspected Party**

For the purpose of this Program, Suspected Party is defined as: "A party who is likely to be guilty as per the whistle blower".

**7. INDEPENDENCE OF WHISTLE BLOWING FUNCTION**

In order to ensure independence of the Whistle Blowing Program, a dedicated Whistle Blowing Function has been established within Audit & RAR Group of the Bank, under the umbrella of Board's Audit Committee. The Function will be headed by Department Head – Monitoring & Whistle Blowing Department, who will report to the Chief Internal Auditor (CIA).

**8. PROCEDURES FOR LODGING COMPLAINTS**

Approved Whistle Blowing Program shall be circulated within the Bank for information of all the employees and shall also be made available on the Bank's official website for information and guidance of other stakeholders who intend to blow whistle on any kind of improper, illegal, unethical or immoral practices.

**I. PARTIES TO WHISTLE BLOWING**

Following are the parties to the Whistle Blowing Program:

- a. Any employee, as complainant / whistle blower.
- b. Any outside party, including shareholders, accountants, vendors, customers etc., as complainants / whistle blower.
- c. Whistle Blowing Function, handling complaints, allegations, concerns etc.
- d. Suspected Parties.

**II. WHISTLE BLOWING ACTIVITIES & DISCLOSURES**

Following are to be reported to the Whistle Blowing Function;

- a. Allegations of Suspected Fraudulent act, Wrongdoing, or Improper conduct by the Bank's Personnel.
- b. Allegations of Suspected Wrongdoing or Complaints relating to any area within the Bank.

Concerns or complaints are to be made in writing to ensure a clear understanding of the issues being raised. Such concerns or complaints should be factual rather than speculative, and contain as much specific information as possible and evidences (if any), including name(s), date(s), place(s), event(s); and complainant's / whistle blower's perception of why he/she suspects the fraudulent act, wrongdoing, or improper conduct.

### III. COMMUNICATION CHANNELS FOR LODGING COMPLAINTS

Bank employees or outside parties with concerns or complaints may report such concerns or complaints through the Bank's dedicated landline, fax, e-mail, website or regular mail (post / courier) as stated below:

- Landline Numbers: +92 (0) 42 36041390, 35776639-41
- Fax Number: +92 (0) 42 35776638
- Email: wbu@mcb.com.pk
- Website: [www.mcb.com.pk/customer\\_services/whistle-blowing](http://www.mcb.com.pk/customer_services/whistle-blowing) or [https://www.mcb.com.pk/customer\\_services](https://www.mcb.com.pk/customer_services)>Quick Links (at bottom right of page)>Whistle Blowing
- Postal / courier address: Monitoring and Whistle Blowing Department, Audit & RAR Group, MCB Bank Limited, 3rd Floor, Principal Office, 15 Main Gulberg, Jail Road, Lahore, Pakistan.

Concerns and complaints received through any of these means shall be forwarded to the relevant person(s) within the Bank as per complaint handling mechanism given below.

## 9. HANDLING OF COMPLAINTS BY WHISTLE BLOWING FUNCTION

Every complainant must be treated fairly. At MCB Bank complaints are considered as an opportunity of improving relationships. A decision in favor of complainant should not be construed as fair treatment rather fairness implies an impartial, consistent and prompt investigation, decision making, and redress without considering commercial value of the relationship or any downside impact of the decision. Fairness is based on two characteristics - impartiality and transparency.

**Impartiality**: At the heart of any complaint handling process is the principle of natural justice. The complaints should not be viewed as unjustified criticism on processes, products or people and a defensive attitude where all efforts are focused on justifying Bank's position should be avoided. Impartiality means every complaint is taken openly and decided on merit taking into account all evidences and allowing opportunity of hearing wherever required. The decision making should be objective, impartial and consistent.

**Transparency**: A complainant has the right to know the complaint handling procedure and the grounds on which the complaint is declined. It is a good practice that the acknowledgement of a complaint includes a brief description of complaint handling



procedure in the bank and the expected time required to decide a complaint. In case the investigation requires more time, an interim reply briefing the progress made should be communicated to the complainant.

The Whistle Blowing Function shall handle the complaints received as per following procedure:

- a. The nature of each complaint will be determined and accordingly classified into any of the following categories:
  - Wrongdoing by Staff
  - Bad Behavior by Staff
  - Human Resource (HR) Related Matters
  - Branch Banking Matters
  - Visa Debit Cards / Credit Cards / ATM Related Matters
  - Consumer Banking Related Matters
  - Loans Related Matters
  - Digital Banking Related Matters
  - Other Matters
- b. Every complaint received by the Whistle Blowing Function must be immediately logged into a tracking system and assigned a code / complaint number by Head of Whistle Blowing Function. This code / complaint number will be used in all subsequent processes including investigation and reporting of the allegation/complaint. Access to information regarding identity of the complainant will be restricted to authorized personnel only.
- c. The complainant shall be sent an acknowledgement at the earliest, preferably within 48 hours of receipt of the complaint by the Whistle Blowing Function.
- d. Every complaint will initially be assessed by the Whistle Blowing Function with a view to decide whether it meets the criteria laid down in the Whistle Blowing Program for an investigation to be conducted. However, final decision in this respect will be made by Department Head Monitoring & Whistle Blowing.
- e. Initial inquiries / assessments (by engaging relevant groups / process owners) will be made to determine whether an investigation is warranted and the form that it should take. Some concerns may be resolved through agreed action without the need for a formal investigation. In case, relevant group / process owner determines that an investigation is warranted, such cases should be forwarded by Whistle Blowing Function to the respective Division Head (Audit) for further action.
- f. If any of the complaints received involve personnel harassment, they will be referred to Bank's Human Resource Management Group (HRMG) for their appropriate action(s) in accordance with the "Policy for Protection of Women against Harassment" or other relevant policy. Moreover, in addition to workplace harassment, all other HR related complaints will also be forwarded to HRMG for appropriate action(s) at their end.

- g. In case of whistle blow complaint against Audit Group's staff warranting investigation, the Chief Internal Auditor (CIA), after preliminary inquiry, should forward such complaints to Human Resource Management Group (HRMG) for conducting independent inquiry.
- h. All the customer services related complaints received by Whistle Blowing Function will be resolved through Service Quality Division (SQD), a function of Compliance & Controls Group of the Bank.
- i. An investigation will only be conducted if the allegation / information is sufficiently specific and contains adequate corroborating evidence to warrant an investigation.
- j. Investigations shall be conducted by competent and independent personnel, who should observe ethical and professional standards.
- k. Action(s) taken by the Bank will depend on the nature of the complaint and the results of the investigation. The final investigation report will be forwarded to the relevant Group Head(s) and in case any disciplinary action is required against the delinquent staff, then report will also be forwarded to HRMG for necessary action(s). Moreover, if considered necessary, the report will also be shared with the President.

## 10. **CONFIDENTIALITY**

Confidentiality of the whistle blowers / complainant's identity, the nature of the complaint and the suspected person's identity must be strictly maintained.

## 11. **PROTECTION AND REWARDS FOR WHISTLE BLOWERS / COMPLAINANTS**

Whistle Blowing Program of the Bank mandates secrecy and protection of whistle blowers.

### a. **Commitment to protecting whistle blowers / complainants**

MCB Bank is committed to the protection of genuine whistle blowers / complainants against action(s) taken in reprisal for the making of protected disclosures.

### b. **Keeping the whistle blower / complainant informed**

The Whistle Blowing Function will ensure the whistle blower / complainant is kept informed of action taken in relation to his or her disclosure as per complaint handling procedures.

### c. **Whistle blower / Complainants implicated in improper conduct or wrongdoing**

The Bank acknowledges that the act of Whistle Blowing should not shield whistle blowers / complainants from the reasonable consequences flowing from any of his / her involvement in improper conduct or wrongdoing. A person's liability for his or her own conduct is not absolved by the person's disclosure of that conduct.

However, in some circumstances, such admission may be a mitigating factor when considering disciplinary or other action.

**d. Harassment or Victimization**

The Bank recognizes that the decision to report a concern / complaint can be a difficult one to make because of the fear of reprisal from those responsible for the malpractice / misconduct. The Bank will not tolerate harassment or victimization and will take action(s) which could involve disciplinary proceedings to protect complainants when they raise a concern in good faith.

Retaliation against an individual, who, in good faith has made a complaint, disclosed information relating to a complaint or otherwise participated in an investigation relating to a complaint, is prohibited regardless of the outcome of the investigation. Complaints of alleged retaliation also are to be directed to the Whistle Blowing Function. The Bank shall not discharge, demote, suspend, threaten, harass or in any manner discriminate against an employee based upon any lawful actions of such employee with respect to reporting in good faith of complaints or participation in a related investigation. However, an employee's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the complaint or an ensuing investigation.

**e. Rewards**

Whistle blower / Complainant may be awarded monetary benefit / career advancement, after consultation with Human Resource Management Group, depending upon the nature and gravity of the complaint / disclosure. Board's Audit Committee will be the final authority to decide such reward. However, only those whistle blowers / complainants will be rewarded who will report such allegation by disclosing their complete identity and would also help in investigating the matter through providing necessary information/proof(s)/evidence(s), if asked for by the Investigator / Whistle Blowing Function.

**12. FALSE ALLEGATIONS OR COMPLAINTS**

This Program also governs actions to be taken in case of deliberate false complaints. This is not meant to discourage or limit the rights of individuals from lodging complaint(s) against alleged malpractices or wrongdoings. The Bank recognizes that, in some instances, it may not be possible for the whistle blower / complainant to determine whether reporting of the incident is warranted. Employees should not be reluctant to report information because they are uncertain of who will be believed and whether the allegation can be proved. However, it is expected from all employees to refrain from rumor mongering, irresponsible behavior and false allegations and if staff makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them as per Bank's Disciplinary Action Policy. If, however, staff makes malicious or vexatious allegation(s) / complaint(s) disciplinary action may be taken against them and penalties may be imposed.

**13. DISCIPLINARY ACTIONS AND PENALTIES**

Where it is proved that an employee committed breach of the policies and/or Code of Conduct of the Bank or the complainant is guilty of a false allegation(s)/complaint(s)

against any other employee or any other act or improper conduct or wrongdoing or insubordination, the matter shall be referred to Human Resource Management Group for disposal as per Disciplinary Action Policy of the Bank.

**14. RIGHTS & RESPONSIBILITIES OF THE SUSPECTED PARTIES**

- The suspected party(ies) of a Whistle Blowing investigation has/have the right to consult with a person or persons of their choice. This may involve representation from his/her/their colleague(s) from the Bank, if permissible under law.
- The suspected party(ies) has/have a responsibility not to interfere with the investigation. They are not to withhold, tamper, or destroy evidence or influence, coach or intimidate witnesses. Unless there are compelling reasons to the contrary, they should be given the opportunity to respond to material points of evidence contained in an investigation report.
- The suspected parties are bound to answer / respond to the queries made by the investigator and appear in person if called for by the investigator.
- It is the responsibility of every employee of the Bank to extend full cooperation during the investigation. Any instance of non-cooperation shall be dealt with in accordance with Bank's human resource policies / procedures.

**15. REPORTING & RECORD KEEPING REQUIREMENTS**

- At the conclusion of a Whistle Blowing investigation, a written report that provides the findings of the investigation, including a summary of the evidence and a conclusion as to whether or not the allegations are substantiated, should be completed and logged into the Board's Audit Committee's tracking report.
- Board's Audit Committee shall have the authority, at any time, to obtain briefing regarding any investigation of a complaint and any related findings.
- A summary of tracking report documenting all Whistle Blowing allegations and actions taken to resolve them must be submitted to the Board's Audit Committee at least bi-annually through Chief Internal Auditor (CIA) and subsequently to the Board of Directors on an annual basis.
- Record of all response letters, complaints and underlying documentation as well as investigation reports shall be properly maintained by the Whistle Blowing Function in line with Bank's Record Management Policy.
- The Whistle Blowing Function must ensure compliance of the Bank's Record Management Policy.

**16. OTHER CONSIDERATIONS**

- The Bank should keep records in good condition to protect evidence, ensure credibility and avoid claims of discrimination.
- It should be made sure that evidence is collected and analyzed by someone with sufficient time, tools and expertise. Expert opinion may also be called wherever deemed necessary.
- The Whistle Blowing Function should not rush to judgment. The subject of allegation involves rights of all which are to be safeguarded. Every person should be given ample opportunity to present his / her case and defend the allegation against him / her.

- Consideration should also be given to costs and whether focus is prosecution, recoveries, restitution or termination.
- The Bank’s findings / investigation reports and relevant record should not result in a public record unless required by law.

**17. DISCLOSURE TO EXTERNAL BODIES**

In case of employees being the complainants, they are not allowed to disclose their concerns to any of the external bodies unless required by law. Breach of this clause will subject the employee to disciplinary action as per HRMG’s Disciplinary Action Policy.

**18. ANONYMOUS COMPLAINTS**

Anonymous complaints should be discouraged. Such complaints may not attract any action. However, Chief Internal Auditor (CIA) may decide, whether any action is required on any such complaint(s).

**19. MONITORING & REVIEW OF THE PROGRAM**

Board’s Audit Committee (BAC) is responsible for monitoring the effectiveness as well as compliance of the Whistle Blowing Program.

This Program will be reviewed by Audit & RAR Group, once in two years or earlier on need basis, especially if warranted due to any change(s) in legal and/or regulatory requirements. The proposals for any changes / modifications / amendments therein shall be submitted to the BAC for consideration and its further recommendation to the Board of Directors for approval.

**20. EFFECTIVE DATE**

The Whistle Blowing Program (version 8.0) will be effective from the date of its approval by the Board of Directors.

**21. GLOSSARY**

Audit & RAR	Audit & Risk Assets Review
CIA	Chief Internal Auditor
SQD	Service Quality Division
HRMG	Human Resource Management Group
BAC	Board’s Audit Committee
BoD	Board of Directors

CEO	Chief Executive Officer
CCG	Compliance & Controls Group
AML / CFT / CPF	Anti-Money Laundering / Combating the Financing of Terrorism / Countering Proliferation Financing