

## WHISTLEBLOWING POLICY

## 1. INTRODUCTION

### 1.1. General

Whistleblowing policies are generally intended to make it easier for members of staff to be able to report irregularities in good faith, without having to fear that their action may have adverse consequences.

The Whistleblowing Policy of the Bahrain Islamic Bank (hereinafter called "the BisB" or "the Bank") is a key element for safeguarding the Bank's integrity. It is aimed at enhancing the Bank's transparency and underpinning its system for combating practices that might damage its activities and reputation.

Protecting the integrity and reputation of the BisB requires the active support of all members of the Bank's staff, who are required to report incidents of suspected fraud, corruption, collusion and coercion, and other serious infringements of the rules and policies in force at the Bank. Members of staff must also cooperate in investigations into such incidents.

By creating an environment of trust and maximum protection for the members of its staff, the Bank wants to encourage them to cooperate in full. It is putting in place arrangements that will ensure that members of staff who report irregularities in good faith are afforded the utmost confidentiality and greatest degree of and most effective protection possible against any retaliation or reprisals, whether actual or threatened, as a result of their whistleblowing.

### 1.2. Accessibility

The policy statement is available at Bank's website under "Disclosures" and accessible to all the stakeholders.

It will be the responsibility of Compliance department to ensure that all the disclosure requirements are met and statement available on the website is updated.

### 1.3. Basic Principles

The basic principles of the Bank's Whistleblowing Policy are as follows:

- a) the persons concerned must have a choice between a number of channels for whistleblowing and communication; in certain circumstances, they must be able to bypass the main channels for whistleblowing if these prove inappropriate;
- b) members of staff must not under any circumstances be subject to reprisals for whistleblowing;
- c) members of staff who report incidents in good faith must be protected and their identity must insofar as possible remain confidential;
- d) the reported incidents shall be verified in the appropriate manner and, if they are confirmed, the Bank shall take all necessary steps to identify appropriate remedies;
- e) the basic rights of any person implicated by the reported incidents

### 1.4. Scope of the Policy

The BisB's Whistleblowing Policy applies to all BisB staff members and any other person providing the Bank with services, including consultants and other service providers under contract to the Bank (grouped together for the purposes of this document under the term "staff member(s)").

### 1.5. What is Whistleblowing?

Whistleblowing is a term used when someone raises a concern about a possible fraud, crime or other serious malpractice that could threaten customers, employees, shareholders or the Bank's own reputation.

The following examples demonstrate what is meant by serious malpractice:

- Fraud;
- Corruption;
- Bribery;
- Conduct which is unethical or illegal;
- Acting outside proper financial accounting, reporting and auditing standards;
- Intentional negligence or non-compliance with the Bank's internal controls and checks which results or facilitates fraudulent act; and
- A deliberate concealment of information tending to show any of the above.

## 2. REPORTING OBLIGATIONS

Members of staff, vendors and other stakeholders are required to report any suspected or presumed incidents of illegal behavior in the activities of the Bank or of serious misconduct or serious infringement of the Bank's rules, policies or guidelines, or any action that is or could be harmful to the mission or reputation of the Bank (hereinafter called as "irregularities").

Such incidents may involve members of staff, borrowers, promoters, contractors, suppliers, beneficiaries or any other persons or entities that participate or seek to participate in activities financed by the BisB.

Members of staff are required to cooperate in any official investigation, audit or similar request.

No members of staff or managers of the Bank may use their position to prevent other members of staff from exercising their rights or complying with their obligations as indicated above.

### 3. REPORTING PROCEDURES

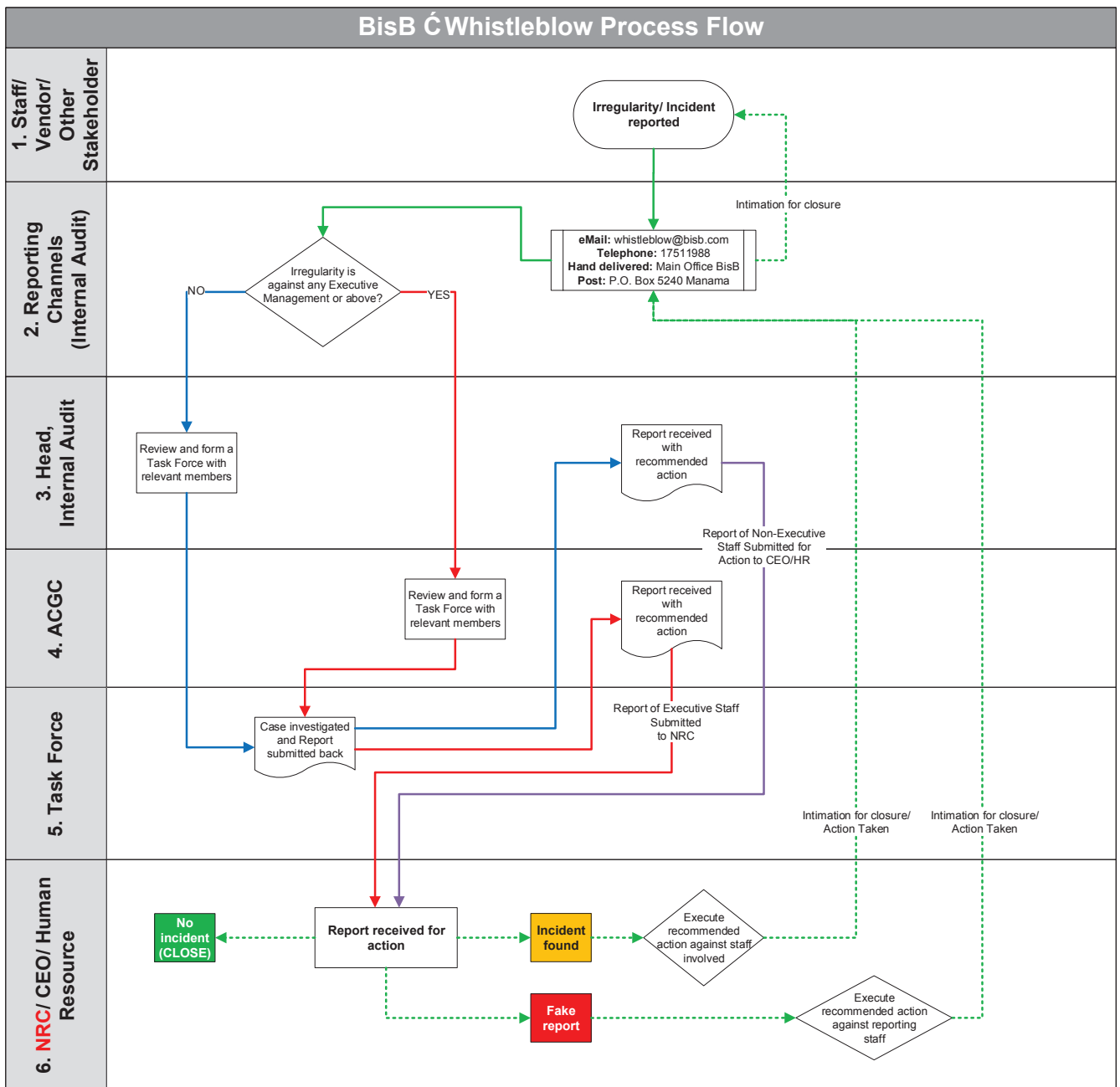
Staff or any other stakeholder should report his/her concern in writing. The report should include at minimum detail of the issue, the names of the persons involved, and date of the submission of the report. Supporting evidences and documents may also be attached, where available/ applicable.

Following channels are available to report any irregularity/ incident.

- a) eMail can be sent to the Head of Internal Audit on “whistleblow@BisB.com” which will be used only by the Head of Internal Audit, however in absence of the Head of Internal Audit, the deputized Internal Audit personnel will be responsible to respond to the reported incident. (I.T. will arrange to tag deputized Internal Audit personnel to this email ID, in the absence of Head of Internal Audit.
- b) Written letter can be delivered by hand at any BisB Branch clearly addressed to the Head of Internal Audit or
- c) Letter can be posted to P.O. Box 5240 Manama. Sending it by post addressed to the Head of Internal Audit.
- d) Whistle blower may also contact on dedicated phone line # 17511988.

#### 3.1. Process Workflow

Following process workflow will be followed after irregularity reported.



## 4. REPORTING ARRANGEMENTS AND ANONYMITY

Incidents may be reported by any means at the disposal of the member of staff and are to be described as accurately as possible.

They may be reported anonymously in writing, in which case they will be considered by the authority to which the matter is referred, account being taken of the circumstances and nature of the incidents reported.

## 5. PROTECTION FOR WHISTLEBLOWERS

### 5.1. Principles

Any staff member who reports an irregularity, provided that this is done in good faith and in compliance with the provisions of this policy, shall be protected against any acts of retaliation.

For the purposes of this policy, «retaliation» is defined as any action or threat of action which is unjustly detrimental to the whistleblower because of his/ her report, including, but not limited to, harassment, discrimination and acts of vindictiveness, direct or indirect, that are recommended, threatened or taken against the whistleblower.

“Good faith” can be taken to mean the unequivocal belief in the veracity of the reported incidents, i.e. the fact that the member of staff reasonably believes the transmitted information to be true.

Staff members, who make a report in bad faith, particularly if it is based knowingly on false or misleading information, shall not be protected and shall be subject to disciplinary measures.

### 5.2. Protective Measures

The protection of a person reporting an irregularity shall be guaranteed first of all by the fact that their identity will be treated in confidence. This means that their name will not be revealed, unless the whistleblower personally authorizes the disclosure of his/ her identity or this is a statutory requirement, particularly if it is essential to ensure that the right of the persons implicated to be given a fair hearing is upheld. In such a case, the Bank shall be required to notify the whistleblower before revealing their identity.

Where members of staff consider that they have been the victim of retaliation for reporting an irregularity or have good reason to believe or fear that they are exposed to a risk of retaliation as a result of their reporting an irregularity, they shall be entitled to complain to the Head of Human Resources, Head of Compliance, Head of Internal Audit or any member of the ACGC and request that protective measures be adopted.

The official approached shall assess the circumstances of the case referred to him/ her and may recommend to the CEO that temporary and/ or permanent measures that are necessary in the interests of the Bank be adopted with a view to protecting the staff member in question. The staff member shall be informed in writing of the results of this procedure.

### 5.3. Penalties for those taking retaliatory action

Any form of retaliation undertaken by a staff member against any person for reporting an irregularity in good faith is prohibited and considered to be a breach of the loyalty and professional ethics requirements of the Staff Code of Conduct. In such a case disciplinary measures shall be taken.

Members of staff will be informed of the measures taken by the Bank following the discovery of acts of retaliation for reporting an incident. The information provided will not contain any data that will enable the people concerned to be identified.

## 6. RIGHTS OF PERSONS IMPLICATED

Any BISB staff member implicated by reports of irregularities must be notified in good time of the allegations made against them, provided that this notification does not impede the progress of the procedure for establishing the circumstances of the case. In any event, findings referring to a staff member specifically by name may not be made upon the completion of the above-mentioned procedure, unless that staff member has had the opportunity to put forward their comments in keeping with the principle of respect for the right to be given a fair hearing, as interpreted by the courts.

After having heard the implicated staff member, or after having requested the latter to put their case in writing if, for objective reasons, it is not possible to hear them directly, the CEO shall decide on the measures required in the Bank's interest.

Since the reporting of irregularities and/ or the ensuing procedure will involve dealing with personal data, such data shall be managed in keeping with the principles and rules provided for in the regulations applicable to the Bank.