

Policy for Whistle Blower FY 2023-2024

(PNB DIFC DUBAI)

Division : Inspection & Audit Division
Version : 2023_IAD_1.0



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PUNJAB NATIONAL BANK
INSPECTION & AUDIT DIVISION, HEAD OFFICE

Policy Custodian

Division	Inspection & Audit Division
Officer in-charge	Divisional Head
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Policy Version Control

S. No.	Version Number	Version Date	Summary of changes
1	2023_IAD_1.0	01.04.2023	Fresh Policy

Policy Governance

Frequency Of Review	Annual
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Approval Path	ACE – ACB – Board
Supersedes	NA

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1. BACKGROUND

- 1.1 Punjab National Bank, Branch: DIFC Dubai (PNB DIFC) is committed to the highest standards of ethics & integrity. The Bank encourages an open culture in all its dealings between staff, managers, customers and all people with whom it comes into contact.
- 1.2 The bank shall establish a vigil mechanism for employees and any stake holder to report concerns about unethical behaviour, or violation of the provisions of Law, the Rules or any other legislation administered by DFSA or engaged in money laundering, fraud or any other financial crime.
- 1.3 The Dubai Financial Services Authority (DFSA), which is the independent financial regulatory agency in the Dubai International Financial Centre (DIFC), has introduced a Whistleblowing regime. PNB DIFC is established in DIFC and regulated by DFSA, the branch has to implement the whistleblowing regime in the branch and have effective policies and procedures for ensuring compliance of the same. As such, the policy is framed (by IBD, HO) to comply with the Dubai Financial Services Authority (DFSA) guidelines on whistle blowing regime (GEN 5.4)

2. OBJECTIVE

Whistleblowing regime introduced by DFSA, aims to help:

- 2.1 Provide better legal protection for persons who report regulatory concerns.
- 2.2 Improve the Whistleblowing culture in DFSA Regulated Entities and increase transparency around how those Entities will handle regulatory concerns.
- 2.3 Encourage more disclosures of regulatory concerns; and
- 2.4 Deter wrongdoing, promote better compliance and an ethical culture, by increasing awareness that there is a higher likelihood that wrongdoing will be reported.

3. SCOPE AND APPLICABILITY

All stakeholders are encouraged as a preventive vigilance measure to report incidences of financial misconduct, wherever noticed.

The policy intends to help all stakeholders who may have concerns over any wrong doing within the Bank to report unlawful conduct, misconduct, malpractices, violation of any legal or regulatory provisions, financial mismanagement, accounting irregularities etc.

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Though an exhaustive list of activities that constitute such misconduct/ malpractice / violations cannot be enumerated, it is expected that the following acts may be reported under this Policy:

- 3.1 Criminal offence (e.g. frauds, corruption or theft) committed / likely to be committed.
- 3.2 Failure to comply with legal / regulatory provision.
- 3.3 KYC/AML violations to provide some undue advantage to anyone.
- 3.4 Breach of client promises by the Bank.
- 3.5 Bank funds used in an unauthorized manner.
- 3.6 Sexual or physical abuse of a member of staff, service recipient or service provider.
- 3.7 Any other form of improper action or conduct.
- 3.8 Information relating to any of the above deliberately concealed or attempts being made to conceal the same.
- 3.9 Fraudulent activity in an account.

4. COMPETENT AUTHORITY

The Chairman of Audit Committee of Board will be Competent Authority to deal with disclosures made under provisions of this policy.

5. ELIGIBILITY

Various stake holders of the bank are eligible to make Protected Disclosures under this policy. These stakeholders may fall into any of the following broad categories:

- 5.1 Employees of PNB DIFC.
- 5.2 Members / special invitees of various committees of the branch.
- 5.3 Employees of other agencies deployed for the bank activities.
- 5.4 Contractors, vendors, suppliers or agencies (or any of their employee) providing any material or service of the Bank.
- 5.5 Any other stakeholder directly related to PNB DIFC branch

6. PUBLIC INTEREST DISCLOSURE

In terms of Article 68A (2) of Regulatory Law, the disclosure of information made by the person must:

- 6.1 Relate to a reasonable suspicion that a Regulated Entity, an officer or employee of a Regulated Entity or in the case of an Authorised Person, an Affiliate of the Authorised Person or an officer or employee of the Affiliate has or may have:

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- 6.1.1 Contravened a provision of this Law, the Rules or any other legislation administered by the DFSA; or
- 6.1.2 Engaged in money laundering, fraud or any other financial crime; and

6.2 be made in good faith

7. WHISTLE BLOWER'S ROLE

The Whistle Blower's role is that of a reporting party with reliable information. He/she is not required or expected to act as investigator or fact finder, nor would he/she determine that appropriate corrective or remedial action that may be warranted in a given case.

8. WHISTLE BLOWER'S PROTECTION

- 8.1 If one raises a concern under this policy, he/ she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes decimation, reprisal, harassment or vengeance in any manner. The bank will not tolerate the harassment or victimization of any one raising a genuine concern.
- 8.2 The protection is available provided that:
 - 8.2.1 The communication / disclosure is made in good faith.
 - 8.2.2 He / she reasonably believe that information, and any allegation contained in it, is substantially true.
 - 8.2.3 He / she is not acting for personal gain
- 8.3 Bank will not disclose the identity, without his / her consent. If the situation arises where Bank is not able to resolve the concern without revealing the identity (for instance because his/ her evidence is needed in court), bank will discuss with his/ her the matter in which bank propose to proceed, and within the confines of statutory requirements endeavor to meet his/ her preference on revealing the identity.
- 8.4 As part of measure taken by the bank to protect whistle blower, from suffering any detriment for making a Protected Disclosure, confidentiality and anonymity will be maintained where reasonably possible, unless disclosed by the whistle blower.
- 8.5 There are exceptions to this requirement, including if disclosure of confidential information is required by law (e.g., by a court order), or if there is mandatory requirement made under any legislation. Bank may also be required to

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provide confidential information to other civil or criminal law enforcement agencies, in order to assist them in performing their functions.

8.6 The protection will apply wherever the disclosure of information relates to a reasonable suspicion that Regulated entity, an officer or employee of the Regulated entity has or may have contravened a provision of the Law, the Rules or any other legislation administered by the DFSA.

9. INQUIRY IN RELATION TO DISCLOSURE BY WHISTLE BLOWER

9.1 The Competent Authority shall, upon receipt of the protected disclosure while concealing the identity of the complainant, shall make discreet inquiry within maximum period of 45 days, to ascertain whether there is any basis for proceeding further to investigate the disclosure.

9.2 The Competent Authority may close the matter, if after conducting an inquiry, is of the opinion that:

9.2.1 The facts and allegation contained in the disclosure are frivolous or vexatious: or.

9.2.2 There are no sufficient grounds for proceeding with the inquiry

9.3 Any disclosure relating to Fraud and subject matters having vigilance implications will be brought to the notice of the CVO for further action.

9.4 After conducting the investigation, if Competent Authority is of the opinion that report reveals either willful misuse of discretion or substantiates allegation of corruption, it shall take following steps:

9.4.1 Recommend to appropriate authority for initiation of disciplinary proceeding or administrative action against the erring official(s) as per bank guidelines.

9.4.2 Recommend for taking of corrective measure.

9.5 The Competent Authority, on the merits of the case may or may not decide to go for personal hearing before closure of the matter.

9.6 Following matters shall not be entertained or inquired into by the Competent Authority to the extent:

9.6.1 If any matter specified or an issue raised in a disclosure has been determined by a Court or Tribunal authorized to determine the issue, after consideration of the matter specified or issue raised in the disclosure, the

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Competent Authority shall not take notice of the disclosure to the extent that the disclosure seeks to reopen such issue.

9.6.2 If any public inquiry has already been ordered under the Public Servants Act or referred for inquiry under the Commission of Inquiry Act.

9.6.3 If the protected disclosure is made after the expiry of seven years from the date on which the action complained against is alleged to have taken place.

9.7 The Competent Authority shall not question any bonafide action or discretion used by the official as per business rules.

10. GENERAL

10.1 Conflict of Interests

Bank will take reasonable steps to ensure that any potential conflicts of interest may arise from a Protected Disclosure made under this policy are managed appropriately. These will include ensuring that the subject of an allegation made in a Protected Disclosure is not involved in any internal investigation of that allegation. The Bank will, however, take such steps as are appropriate to ensure the fair treatment of a person subject to an allegation, which may include giving that person the opportunity to answer the allegation.

10.2 Disclosure of the Policy

This policy will be placed on the website of the Bank.

10.3 Ownership of the Policy

Inspection & Audit Division will be the owner of this policy.

10.4 Validity and Review of the Policy

The policy guidelines will be applicable w.e.f. 01.04.2023 and will remain in-force till further review. The policy shall be subject to annual review.

Further Functional Committee (ACE) shall be authorized to

10.4.1 Incorporate any changes necessitated in the policy for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the policy and

10.4.2 Extend validity of the policy for period up to three (3) months. However such extension of validity of the Policy (Part-I) shall be subject to ratification by the Board.

10.5 Policy Declaration

This policy conforms to extant statutory guidelines issued by Dubai Financial Services Authority (DFSA)

10.6 Reporting

There is no regulatory requirement for reporting of this policy to any outside agency/ authority.

10.7 Authority for Operational Guidelines

Functional Committee (ACE) will be the authority for operational guidelines.

10.8 Relaxations/Deviations/ Exclusions

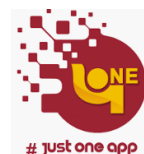
NIL

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1. PROCEDURES FOR REPORTING

PNB DIFC encourages stakeholder to report concerns to the bank itself, so that immediate remedial measures can be taken by the bank. However, where appropriate, PNB DIFC also acknowledge that a whistle blower may prefer to report the regulatory concern directly to the DFSA regardless of whether an internal report has been made. DFSA has setup a specific whistle blowing email address whistle@dfsa.ae

Any disclosure which is to be made under provisions of Whistle Blower Policy should comply with the following aspects:

- i) The disclosure should be sent in a secured manner by way of closed envelope to the Chairman, Audit Committee of Board.
- ii) The envelope should be addressed to the officials as mentioned above and should be super scribed "**Disclosure under the provisions of Whistle Blower Policy**". The complainant should only give his / her name and address either in the beginning of the text of the disclosure or at the end of it.
- iii) If the Whistle Blower wants that his/ her name should not be disclosed, the text of the disclosure should be carefully drafted so as not to give any details or clue as to his/her identity. However, the details of the disclosure should be specific and verifiable.
- iv) In order to have a speedy disposal of these disclosures the Whistle Blower should submit disclosure in a closed envelop super scribed "**Disclosure under the provisions of Whistle Blower Policy**". If the envelope is not super scribed and closed, it will not be possible for the Bank to cover the identity of the complainant.

2. MODALITY OF OPERATION AT THE BANK LEVEL

The Whistle Blower shall lodge the disclosure to:

2.1 Dubai Financial Services Authority at specific email whistle@dfsa.ae and/or

2.2 The Chairman, Audit Committee of Board in a closed/ secured envelope marked as "**Disclosure under the provisions of Whistle Blower Policy**" at the following address:

The Chairman of Audit Committee of Board,
Board & Coordination Division,
Punjab National Bank
Head Office, 5th Floor, Sector -10, Dwarka, New Delhi-110075

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Alternatively, the Whistle Blower can disclose through email at:

whistleblower@pnb.co.in which will be owned by the Chairman of ACB. Whistle Blowers are advised to preferably use this mode as it will help in concealment of identity of whistle blower.

All the disclosure received under this Policy will be opened in the presence of Chairman of the Audit Committee of Board, by an authorized official of Board & Coordination Division, designated in this regard by Chairman, ACB. Once, the Chairman, ACB decides that this disclosure can be considered under the Whistle Blower Policy, the authorized official will enter it in a Corporate Register containing brief particular of the disclosure received under this Policy. He / she shall assign a Unique Reference Number (URN) to each disclosure. All inter-office correspondence in respect of disclosures received under Whistle Blower Policy will be done citing only Unique Reference Number (URN) and not the name of Whistle Blower

3. RECORD KEEPING

To comply with the Rule 5.4.3 of DFSA Rule book GEN Module (**Link <https://dfs.aen.thomsonreuters.com/rulebook/cob-543>**) records should include:

- i) The date when the report was received.
- ii) A summary of the concerns raised.
- iii) Steps taken by the Authorised Person in relation to the report until the matter is resolved.
- iv) any steps taken to maintain the confidentiality of the whistle-blower and to ensure fair treatment of the whistle blower.
- v) the list of persons who have knowledge of the report,
- vi) the outcome of the assessment of the report including the rationale for the outcome and any decision on whether or not to disclose the report to the DFSA or any other relevant authority, and
- vii) reference or links to all documentation and review papers in relation to the report.

Records of whistle blowing reports will be made available to the DFSA for inspection.

4. OTHER ASPECTS

Whistle blower should refrain from sending reminder or seeking further development/ action taken regarding disclosure made by him so as to protect his/her identity.

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action and will not be protected under the policy

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All reports received in writing or documented, along with the result of investigation relating thereto, shall be retained by the Bank for period of seven years from the date of closure.

The matters related to Appointments, Postings & Transfers etc. will not be normally entertained under Whistle Blower Policy. For these types of matters, complainant may use any other mechanism.

5. GENERAL

5.1 Disclosure

These guidelines provides no legal undertaking to anyone on behalf of the Bank. No one shall have any right before any competent court, Forum or Tribunal within India or outside on the basis of this document. This document does not explicitly or implicitly represents/confers any right upon any person and the Bank is not legally bound or otherwise to honour or accept the same.

5.2 Ownership

Inspection & Audit Division will be the owner of these guidelines

5.3 Validity and Review

These guidelines will be applicable w.e.f. 01.04.2023 and will remain in-force till further review. These guidelines shall be subject to annual review.

Further Functional Committee (ACE) shall be authorized to

- 5.3.1 Incorporate any changes necessitated for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the policy and
- 5.3.2 Extend validity of these guidelines for period up to three (3) months. However, such extension of validity of the Policy (Part-I) shall be subject to ratification of the Board.

5.4 Declaration

These guidelines conform to extant statutory guidelines issued by DFSA

5.5 Reporting

These guidelines will be placed on the website of the Bank.