



BAHRAIN ISLAMIC BANK “BisB”.

**Whistleblowing Policy
2021**

Internal Audit Division





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1. Introduction

The objective of this Policy is to provide the Staff Members with the opportunity to access and report fearlessly in Good Faith to the Chairperson of the Audit Committee in case they observe irregularities such as Unethical and Improper Practices or any other wrongful conduct of a financial or legal nature in the Bank and to prohibit managerial personnel from taking adverse action against the Staff Members for doing so.

This Policy is in line with best practices and in accordance with the requirements of the CBB.

2. Definitions

- a) “Adverse Personnel Action”: An employment related act or decision or a failure to take appropriate action by management which may affect the employee’s employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves, training or other privileges.
- b) “Alleged Wrongful Conduct”: Violation of law, breach of duty of care, infringement of the Bank’s Code of Conduct, misappropriation of monies and actual or suspected fraud or abuse of authority, of a financial or legal nature.
- c) “Audit Committee”: A sub-committee of Board of Directors of the Bank.
- d) “the Bank”/ “BisB”: Bahrain Islamic Bank.
- e) “Staff Members”: All BisB staff members and any other person providing the Bank with services, including consultants and other service providers under contract to the Bank.



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f) “Good Faith”: A Staff Member shall be deemed to be whistle blowing in, ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other Alleged Wrongful Conduct. Good Faith can be taken to mean the unequivocal belief in the veracity of the reported incidents, and it shall be deemed lacking when the Staff Member does not have personal knowledge of a factual basis for the whistle blowing or where the Staff Member knew or should have known that the whistle blowing is malicious, false or frivolous, i.e., the fact that the member of staff reasonably believes the transmitted information to be true.

g) “Policy” or “This Policy” means: This “Whistleblowing Policy.”

h) “Whistleblowing”: 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.

i) “Unethical and Improper Practices”/“Malpractice”: a) An act which does not conform to approved standards of social and professional behaviour; b) An act involving unethical business practices; c) Improper, wrongful or unethical conduct; d) Breach of Code of Conduct or morally offensive behaviour. In general, the above improper conduct will be seen in wrongdoing of a financial or legal nature, such as corruption, theft, fraud, misuse of Bank property or cash, abuse of official position for personal gain, bribery, acting outside proper financial accounting, reporting and auditing standards. Also, Intentional negligence or non-compliance with the Bank’s internal controls and checks which results or facilitates fraudulent act as well as a deliberate concealment of information tending to show any of the mentioned practices etc.

j) “Irregularities”: Any suspected or presumed incidents of illegal behaviour 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.

k) “Retaliation”: Any action or threat of action which is unjustly detrimental to the Whistle Blower 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 Whistle Blower.





- l) "Whistle Blower": A Staff Member of the Bank who discloses in Good Faith and in writing any Unethical and Improper Practices to Chairperson of the Audit Committee.

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.

4. 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.

5. Applicability

This 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.





6. Policy Statements

Protection under the Policy: A Staff Member who acts as a Whistle Blower is protected against unfair termination and unfair prejudicial employment practices. No Adverse Personnel Action shall be taken or recommended against any Whistle Blower in Retaliation against his/her disclosure in Good Faith of the Alleged Unethical and Improper Practices.

Any Whistle Blower who considers that Adverse Personnel Action has been taken against him/her due to his disclosure of information under this Policy may seek redressal by approaching the Chairperson of the Audit Committee. However, this Policy does not protect a Whistle Blower or a Staff Member from Adverse Action which occurs independent of his/her disclosure of Unethical and Improper Practices and is related to poor job performance or any other disciplinary action unrelated to a disclosure made pursuant to this Policy.

False Allegation and Legitimate Employment Action: A Staff Member who knowingly makes false allegations of Unethical and Improper Practices or Adverse Personnel Action to the Chairperson of the Audit Committee shall be subject to disciplinary action (including termination of employment, if warranted) in accordance with the Labour Law provisions and the Bank's rules, policies and procedures.

Further, this Policy may not be used as a defence by a Staff Member against whom Adverse Personnel Action has been taken independent of any disclosure of information by him/her and for legitimate reasons or cause under the Bank's rules and policies.

Maintaining confidentiality in the process: The Whistle Blower should honour the requirement to maintain confidentiality of the subject of the complaint, i.e., he/she should not inform any other person. Also, particular care should be taken not to disclose the matter of whistle-blowing or the cause thereof to any person or entity outside the Bank. In the event it is understood by the Bank that the Whistle Blower has failed to comply with the requirements of confidentiality as stipulated in this section, he/she will be subject to the Bank's disciplinary measures for breach of confidentiality.



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All cases will be processed in a highly confidential manner. Every effort will be made by the Chairperson of the Audit Committee not to reveal the identity of the Whistle Blower to other parties that are involved in any subsequent investigation of the matter.

However, it should be understood by the Whistle Blower that it may be necessary to present him/her at the appropriate time as a witness before the relevant authorities, if required.

Anonymous Allegation: This Policy encourages all concerned to put their names to their allegation whenever possible. If individuals choose to report their concerns anonymously, such anonymity will be respected.

It should be noted that concerns expressed anonymously are much less powerful and will only be considered at the discretion of the Bank. In exercising this discretion, the factors that are taken into account are:

- The seriousness of the issue.
- The credibility of the concern.
- The likelihood of confirming the allegation from attributable sources.

It should be noted that in case the allegation reveals any criminal activity, and the case is to be pursued by the Police, the identity of the person reporting the details may be important, especially if at a later date criminal proceedings are to be pursued effectively.

Procedures for handling whistle-blowing: A Staff Member who observes Unethical and Improper Practices in the Bank may report the same to Chairperson of the Audit Committee, through hard copy or e-mail. The reporting should be done as soon as possible after noticing the matter to be reported, so as to facilitate taking prompt action and to establish that there are reasonable grounds for the allegation.

No attempt should be made by the Whistle Blower to personally conduct investigations, interviews or questioning.



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Upon receiving a Whistle Blower report, Chairperson of the Audit Committee will request Chief Internal Auditor to inquire into the allegation raised by the Whistle Blower, such that he/she can establish facts to his/her full satisfaction, and he will inform and involve other Bank staff on a 'need to know' basis to the extent necessary to successfully investigate the allegation.

The Chief Internal Audit Officer will keep the Audit Committee advised of the outcome of the investigations and will communicate the same to CEO and CHRO to take suitable remedial action, including any disciplinary action, as it may deemed necessary.

Contact details for Whistle Blower

Email: Whistleblow@BisB.com

Mail Address: Chairperson of the Audit Committee
Bahrain Islamic Bank (BisB) - Main Branch
P.O. Box 5240, Manama, Kingdom of Bahrain

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.

7. Policy Review

This Policy should be reviewed every three years or more frequently than that if necessary, based on changes in the Bank's processes, systems, or regulatory requirements.

