

Whistleblower Policy

VERSION CONTROL

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1. Scope and Purpose

Recognising the expectations of the Arab Bank Australia Limited (the Bank) shareholders, employees, customers, regulators and the community, the Board of Directors, the Bank's governing body, is committed to ensuring the highest standard of ethical behaviour.

This policy directs the management of reports made by Bank employees with respect to suspected improper conduct or misconduct or contravention with federal laws within the Bank, and the protection of the individuals making those reports. Designed to maintain a culture of openness and transparency, the policy is consistent with the Bank's Code of Conduct and complies with the relevant legislation.

2. Definitions

2.1 Whistleblowing

For the purpose of this policy, whistleblowing is defined as:
"the deliberate, voluntary disclosure of individual or organisational wrongdoing by a person or persons who have or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by an organisation that is within its ability to control."

2.2 Eligible Whistleblower

For the purpose of this policy, an eligible whistleblower is defined as:
Any individual who is a current or former officer, employees, contractors (including employees of contractors) and individual associates of ABAL and any related body corporate. And/or their current or former relatives or dependents (including a spouse or former spouse).

2.3 Disclosable matter

For a matter to be disclosable, the WB must have "reasonable grounds" to suspect it concerns "misconduct or an improper state of affairs or circumstances" in relation to the below (Improper Conduct / Wrongdoing)

2.4 Improper Conduct / Wrongdoing

For the purpose of this policy, improper conduct is defined as:

- corrupt conduct;
- fraudulent activity;
- failure to comply with any law administered by ASIC and/or APRA;
- conduct constituting an offence against any other commonwealth law punishable by imprisonment.
- Conduct that "represents a danger to the financial system"
- conduct that is likely to prejudice the reputation, credibility and standing of the Bank and or its shareholder;
- breaches of internal rules and regulations;
- breaches of external rules and regulations
- a substantial mismanagement of Bank resources;
- conduct involving substantial risk to public health or safety; or
- conduct involving substantial risk to the environment;
- any other unsafe practices that jeopardise the welfare and safety of Bank employees or customers.

2.5 Eligible recipient

This is the category of person to whom a protected disclosure can be made.

Each of the following is an eligible recipient

- (a) an officer of ABAL (director, secretary)
- (b) an auditor, or a member of an audit team conducting an audit, of ABAL
- (d) a person authorised by ABAL to receive protected disclosures;
- (e) a supervisor or manager of the Eligible Whistleblower.

2.6 Protected Disclosure

A protected disclosure is:

1. a disclosure of information by an Eligible Whistleblower; and,
2. the disclosure is made to any of the following:
 - An Officer of the Bank or A Senior Manager
 - External body – “Your-call”
 - An Auditor (Internal Auditor or External Audit partner
 - ASIC
 - APRA
 - A lawyer for the purposes of obtaining legal advice or representation
 - A prescribed Commonwealth authority; and,
 - the Eligible Whistle blower has reasonable grounds to suspect that the information:
 - indicates engagement in misconduct or an improper state of affairs or circumstances, or
 - indicates engagement in actual or suspected conduct that contravenes the federal statutes, or
 - poses a risk to the confidence in the financial system or
 - constitutes an offence against any other law of the Commonwealth that is punishable by imprisonment for a period of 12 months or more.

For example Information that may indicate a systemic issue that would assist the relevant regulator in performing its functions would be captured as a disclosable matter whether or not it is in breach of the law.

Personal work-related grievance disclosures are excluded from protection under the new regime except where:

- they concern alleged victimisation of WB
- the disclosure has significant implications extending beyond the WB, or
- the disclosure is made to a legal practitioner for the purposes of obtaining legal advice or legal representation

2.7 Victimiser

A Victimiser is an individual that causes any detriment to any other person.

2.8 Detriment

Detriment is defined to include (without limitation) dismissal, injury of an employee in his or her employment, alteration of employee’s position or duties to his or her disadvantage, discrimination between an employee and other employees of the same employer, harassment or intimidation, harm or injury including psychological harm, damage to a person’s property, reputation, business or financial position, or any other damage to a person.

2.9 Journalist

Defined to mean a person who is working in a professional capacity as a journalist for a newspaper, magazine, or radio, or television broadcasting service that is operated on a commercial basis and is similar to a newspaper, magazine or television broadcast.

3. All Arab Bank Australia Employees

The Bank's employees are encouraged, and have the responsibility to report any known or suspected incidences of improper conduct by making a protected disclosure in accordance with this policy and have several avenues in relation to making such reports.

Option 1: **Immediate Supervisor, Manager, HRM or CRO**

The Bank's employees should in the normal course first report such matters to their immediate Supervisor and/or Manager. However, if he or she has a concern with that, (for example he or she reasonably believes that the Supervisor or Manager is involved in the improper conduct), the report should be made to the Chief Risk Officer (CRO) **and** Human Resources Manager (HRM).

If the CRO and HRM assess the protected disclosure to be of significance, they must inform and discuss the disclosure with the Managing Director unless the disclosure relates to the Managing Director, and subsequently take appropriate action to notify the Chairman of the Board Risk Committee.

If the protected disclosure is an allegation made against a member of this committee, the committee member shall not be notified or involved in the investigation.

Option 2: **Your-Call (External, independent source)**

Employees also have the option of making their report to an external party whose responsibility is to provide an external independent service.

The external services are provided by 'Your-Call' organisation which offers confidential online and telephone based alert lines. Web access for reporting is available 24 X 7 and telephone service is available Monday – Friday from 8.30am – 10pm (excluding Public Holidays).

Employees can log on to www.your-call.com.au or call 1300 798 101 during the above hours.

Full details in terms of actions to be taken in relation to reporting incidences of improper conduct under this policy can be found in **Appendix A: Arab Bank Australia Whistleblower Policy Procedures**

Option 3: **Internal Audit or Company Auditor**

Employees who have reasonable grounds to believe that there is risk of serious harm or danger to public health or safety, or the financial system can make a protected disclosure to internal audit or the company auditor.

Option 4: **Legal Practitioner**

Employees have the right to contact a legal practitioner for the purpose of obtaining legal advice or representation on the relevant disclosure.

Option 5:
ASIC or APRA

Employees that do not wish to utilise the above options can disclose the relevant information to regulatory bodies, such as, ASIC or APRA. This disclosure will be protected by the Whistleblower protections clause.

Option 6:
Journalist or Parliamentarian

An emergency disclosure may be made in certain emergency circumstances. In some situations, wrongdoing may be of such gravity and urgency that disclosures to a journalist or a parliamentarian are justified.

Please refer to the procedure for further information.

Emergency disclosures may be made if the WB has reasonable grounds to believe the information concerns a substantial and imminent danger to the health or safety of one or more persons or to the natural environment. No 90- day waiting period applies (refer to option 6); however, the WB must still have made a previous disclosure and given prior written notification to the recipient of the previous disclosure before making the emergency disclosure.

4. Confidentiality

Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower and the Bank will take all reasonable steps to protect the identity of the whistleblower. This may not occur if confidentiality is not a practical option (as referred to section 4.1).

4.1 Generally, ABAL will not disclose the person's identity unless:

- the ABAL employee making the report consents to the disclosure;
- the disclosure is required or authorised by law (i.e. ASIC, APRA, the AFP, a legal practitioner for the purposes of obtaining legal advice or representation), and/or
- the disclosure is necessary to further the investigation and all reasonable steps are taken to reduce the risk of the whistleblower's identification,,

Bank employees must take all reasonable steps to attempt to maintain the confidentiality of a person they know or suspect to have made a disclosure.

The Bank protects the rights of any person who is the subject of a disclosure and whistleblowers by maintaining the principles of confidentiality, discretion, natural justice and the presumption of innocence.

Any whistleblower has the option of making an anonymous disclosure to the relevant reporting avenue. This can be actioned via a typed letter which will require all applicable information. to assist the investigation.

5. Managing the Welfare of the Whistleblower

5.1 Commitment to protecting whistleblowers

The Bank is committed to the protection of genuine whistleblowers against action taken in reprisal for the making of protected disclosures.

All Bank employees also have an important responsibility concerning the welfare of the whistleblower within the organisation. All Arab Bank Australia personnel must refrain from any

activity that is, or could be perceived to be, victimisation or harassment of a person who makes a protected disclosure.

ABAL will not tolerate any retaliatory action or threats of retaliatory action against any person who has made or who is believed to have made a report of wrongdoing, or against that person's colleagues, employer (of a contractor) or relatives.

For example, the person must not be disadvantaged or victimised by having made the report by:

- Dismissal
- Injury in their employment
- Alteration of their position to their disadvantage
- Discrimination - between the employee and other employees of the same employer
- Harassment or intimidation
- Hard or injury to a person, including psychological
- Damaging their property
- Damaging their reputation
- Damaging their business or financial position; and
- Other means and ways of damaging a person

ABAL encourages all whistleblowers that may experience any of the above retaliatory action to speak to the HRM and/or the CRO.

Any such retaliatory action or victimisation in reprisal for a report being made under this policy will be treated as serious misconduct and will result in disciplinary action, which may include dismissal.

If a victimiser engages in conduct that causes any detriment to any other person in belief or suspicion that a person has made, may make, proposes to make, or could make, a protected disclosure may also face legal, criminal prosecution of victimisation.

5.2 Whistleblowers implicated in improper conduct

The Bank acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. A person's liability for his or her own conduct is not affected by the person's disclosure of that conduct. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

If a person who makes a report is implicated in the wrongdoing, that person must not be subjected to any actual or threatened retaliatory action or victimisation in reprisal for making a report under this policy.

6. **Review of Policy**

This policy will be reviewed annually to ensure it complies with relevant laws and remains relevant and effective. Completion of this review will be the responsibility of the Human Resources Manager. Amendments to the policy may be made at the discretion of the Board of Directors of the Bank.

7. **Communication**

This policy and associated procedures will be made available to all employees on the Bank's intranet site (COIN).

Appendix A

ARAB BANK AUSTRALIA LIMITED WHISTLEBLOWER PROCEDURES

THE PROCEDURE

Procedures Statement

To supplement the “Whistleblower” policy Arab Bank Australia Limited (the Bank) provides the following procedures for raising and handling concerns of any malpractice by employees.

These procedures have been developed taking into account the requirements of the Bank, Arab Bank plc and Australian regulatory authorities.

This framework provides the following guidelines:

1. Raising a Concern:

Employees are encouraged to initially discuss any concerns with their immediate Supervisor/Manager and/or Head of Department, who if after completing an initial assessment find the concerns warrant further investigation and have reasonable ground will then raise the matter with the CRO and HRM.

The following list can help an employee decide if an allegation should be reported:

- Does the action comply with the Bank's policies and procedures?
- Is the action fair and ethical?
- Is the action truthful?
- Does the employee's action have the appearance of being loyal to the Bank?
- Is the action legal?
- Is the action consistent with Bank's practices?
- Will the action bring credit to the employee if disclosed to the public?
- Can the action be properly defended to a supervisor, other employees, and to the general public?
- Does the action conform to the spirit of the Bank's Code of Conduct?
- How would the action look to family and friends, our customers, and the general public if it were published on the front page of the newspaper?

Should the employee raising the concern deem it inappropriate to talk to their immediate Supervisor/Manager and/or Head of Department or that their concern has not been suitably addressed, the employee has two options in making their concern known.

Option 1 – CRO or HRM:

Employees may take their concern directly to the CRO and HRM and the following information should be included in their report:

- Employee information: full name; department; reporting manager
- Telephone number where they can be reached for a confidential conversation
- Work location
- The specific actions reported
- Clear and concise description of the facts
- The name of the person(s) involved in the actions

2. The Role of the CRO and HRM:

The role of the CRO and HRM or any other person designated for these roles will be confined to a fact-finding process by conducting a full investigation and a recommendation as to the veracity of the information provided by the whistleblower. The format of that investigation will depend on the circumstances of the raised concern and the laws, policies and procedures governing the Bank in Australia. The CRO and HRM will ensure the whistleblower is kept informed of action taken in relation to their disclosure

3 Decision Making:

In the event that the CRO and HRM have found the concern raised to be valid and not already subject to internal investigation or legal proceedings, the CRO and HRM will communicate the findings of the investigation to the Managing Director unless the disclosure relates to the Managing Director, and subsequently take appropriate action to notify the Chairman of the Board Risk Committee who has a responsibility of making a decision as to how to appropriately proceed, whether an external authority must be informed and the action that should be taken on the basis of this decision.

Should any individual that sits on the above committee or in a position of authority, be a person under investigation then they will be excluded from involvement in the investigation and decision making process. If an investigation reveals that misconduct did occur, corrective action will be immediately initiated. The Bank will take all reasonable steps to respond appropriately to the offence and to prevent further similar offences.

Any whistleblower has the option of making a disclosure anonymously. This can be done by addressing a written or typed letter to the HRM and/or the CRO. **Option 2 Your Call (External and Independent):**

If employees do not wish to report their concerns directly to the CRO or HRM they may report their concern to an external provider - "Your-Call" is an external organisation whose responsibility is to provide independent service either via the Web or via a telephone call.

(a) Reporting via the Web:

- This is available 24/7 and can be accessed by logging on to www.your-call.com.au. Employee identity, information and privacy will be protected by secure 256-bit encryption.
- Once on the website employees must click on the 'click here to make a secure report' button on the right hand side of the screen.
- Employees enter the company/organisation unique code – **ABAL2013**
- Employees follow the prompts and complete the electronic form which is entirely between the employee and Your-Call.
- Employees have the ability to upload documentation and/or other evidence that may support their information.

(b) Reporting via telephone:

- Call 1300 798 101 between the hours of 8.30am – 10pm, Monday – Friday (AEST excluding public holidays)
- 'Your-Call' does NOT have telephone number identification for either inbound or outbound telephone calls.

A report will be generated from 'Your-Call' back to the organisation within 4 hours of an employee submission. The report is sent to the CRO and HRM and the same procedure will be followed as above in relation to resolution.

Option 3 – Internal Audit / Audit Partner:

Employees can also make a protected disclosure to a member of Internal Audit via email or through a written copy. Internal Audit will be confined to a fact-finding process by conducting a full investigation and a recommendation as to the veracity of the information provided by the Whistleblower.

The format of that investigation will depend on the circumstances of the raised concern and the laws, policies and procedures governing the Bank in Australia.

Internal Audit will ensure the whistleblower is kept informed of action taken in relation to their disclosure.

The auditor may also ask the whistleblower's permission to involve the HRM and/or CRO as apart of the investigation.

Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower and the Bank will take all reasonable steps to protect the identity of the whistleblower.

Investigation and Decision process

All reports of alleged or suspected wrongdoing made under this policy will be properly assessed, and if appropriate, independently investigated with the objective of locating evidence that either substantiates or refutes the claims made by the whistleblower.

Internal Audit will be responsible for ensuring the proper conduct of the investigation, which may include appropriate instruction and oversight of a third party appointed to conduct an investigation.

The investigation will not be conducted by a person who may be the subject of the investigation or has inappropriate links or connections (actual or perceived) to the person(s) or practice(s) under investigation.

Internal Audit will keep the whistleblower informed of the outcomes of the investigation to his/her report subject to the considerations of privacy of those against whom the allegations have been made.

Throughout the assessment and investigation process Internal Audit will treat fairly the person who is the subject of a report.

If, following an investigation, the allegations are found not to be substantiated, then any documents relating to the investigation will be handled confidentiality, subject to disclosures to the appropriate members of management, as appropriate.

Any whistleblower has the option of making a disclosure anonymously. This can be done by addressing a written or typed letter to the Internal Audit department.

Option 4 – Legal practitioner

Employees have the right to contact a legal practitioner for the purpose of obtaining legal advice or representation on the relevant disclosure. Please note, this is the employee's choice and any cost associated with legal advice is covered by the employee. The Bank takes no responsibility for any costs associated with this option.

Option 5 – APRA and/or ASIC

Employees may elect to disclose to APRA and/or ACIS. Any disclosures made to APRA or ASIC will be considered a protected disclosure and can be made anonymously. Disclosures made to the regulatory body will be subject to internal investigation process which has been set out by the regulatory bodies. You may contact the above bodies directly via phone or online.

Option 6 - Journalist or Parliamentarian

Public interest disclosures are permitted where:

- The whistleblower first makes a protected disclosure of the disclosable matter to either the regulator or a eligible recipient (Option 1, 2, 3 and 5)
- At least 90 days has passed since that disclosure
- The whistleblower does not have reasonable grounds to believe action is being/has been taken in response to the applicable disclosure
- The whistleblower has reasonable grounds to believe a further disclosure is in the public interest
- After 90 days, the whistleblower gives the recipient of the previous disclosure written notice of their intention to make a public interest disclosure and;
- The public interest disclosure is no greater than is necessary to inform the recipient of the misconduct, improper state of affairs.

Parliamentarians includes Federal, State and Territory parliamentarians

Please note that protections under this policy applies to disclosures made to a Journalists must be “working in a professional capacity as a journalist” for newspaper, magazine, radio, television; or “electronic service (including service provided through the internet)” provided on a commercial basis, or by a public broadcasting service, where the electronic service “is similar to a newspaper, magazine or radio or television”. So, this excludes personal social media and self-defined journalists, etc.

4. Breaches of the Procedure:

Employees of the Bank that blatantly breach this policy and procedure will be subject to disciplinary action. Any employees engaging in victimisation against a whistleblower will also be subject to disciplinary action.

5. False, Malicious or Vexatious Claims or Statements:

Employees who file reports or provide evidence, which they know to be false, malicious or vexatious or without reasonable belief in the truth and accuracy of such information will not be protected by this Policy and may be subject to disciplinary action.

6. Attachment 1 – Whistleblower Policy Employee Declaration

I acknowledge that I have read and understood the above named policy and procedures and accept it as part of my employment with Arab Bank Australia Limited.

| | | |
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| Name | Signature | Date |
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