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POLARIS BANK

Polaris Bank Limited

WHISTLE BLOWING POLICY AND PROCEDURE

Blow it now:

Polaris Bank

E-mail Address: Whistleblowing@polarisbanklimited.com

Frauddesk@Polarisbanklimited.com

Telephone: +234-1-291-1430

Central Bank of Nigeria

E-mail Address: Anticorruptionunit@cbn.gov.ng

Telephone: +234-9-46236000

KPMG

E-mail Address: KPMG Ethics e-mail (kpmgethicsline@ng.kpmg.com)

Telephone: KPMG ethics line (KPMG's MTN toll free number: 0703-000-0026)

(KPMG's Airtel toll free number: 0808-060-1222; 0808-822-8888)

(KPMG's Etisalat toll free number: 0809-993-6366)

(KPMG's Glo toll free number: 0705-889-0140)

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Section 1 - Introduction

The Code of Corporate Governance for Banks and Discount Houses in Nigeria – 2014 (which replaced 2006 CBN Code), requires Nigerian banks to implement Whistle Blowing procedures. The Code of Corporate Governance specifically states that "Banks should establish 'whistle blowing' procedures that encourage (including by assurance of confidentiality) all stakeholders (staff, customers, suppliers, contractors etc.) to report any unethical activity/breach of the Corporate Governance code using, among others, a special e-mail or hotline to both the bank and the CBN". Furthermore, the recent Nigerian Code of Corporate Governance 2018, part B, section 19 requires all Nigerian companies to establish and implement a whistle-blowing framework "to encourage stakeholders to bring unethical conducts and violations of law and regulations to the attention of an internal/or external authority so that action can be taken to verify the allegations and apply appropriate sanctions or take remedial actions to correct any harm done", and that the framework "should be known to employees, and external stakeholders".

Section 2 Policy Statement

Polaris Bank Limited is committed to the pursuit of the principles of high integrity and sound business practices and therefore conducts its affairs in a manner consistent with the relevant laws and codes of corporate governance in Nigeria. This commitment by the Bank informed the initial implementation of a Whistleblower Policy. The Whistleblower reporting system is designed to make it as simple as possible for employees and other persons to report cases of misdeed or dishonest acts or other disclosures while they are assured of the highest level of confidentiality.

It is expected that an effective and protected reporting framework will encourage employees to report suspected or known acts of fraud and improper conduct by making it easier, more confidential and less adversarial. Furthermore, the Bank believes that a sound whistleblower mechanism is an important preventive measure to help combat fraud and corruption in the workplace. Thus, making it easier and less risky for stakeholders to raise concerns internally and facilitate the taking of corrective action and reduce the incidence of avoidable loss of assets and reputation

The whistleblowing guidelines issued by Polaris Bank Limited protect employees and other stakeholders against detrimental treatment or dismissal as a result of any disclosure by them to the Management and the CBN of information normally considered as confidential in the interest of all stakeholders of the Bank.

The policy encompasses a framework of principles, processes and procedures for reporting, assessing and investigating improper conduct. It describes how employees and other stakeholders could report fraud or improper conduct and how such reports would be dealt with.

Section 3 - What is Whistleblowing?

Whistleblowing is a specific means by which an employee or any other stakeholder can report or disclose, through established channels, concerns about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements that are taking place/ have taken place/ might take place in the future.

Section 4 - Why We Should Blow the Whistle

Silence may connote that we condone misconduct or we are accomplices in the acts of misconduct. Failure to blow the whistle at the right time, may cast doubt on our integrity and loyalty to the institution. As stakeholders, we all have the right and duty to REPORT as "Swallowing the Whistle" (Doing Nothing or Silence) could lead to unchecked fraud and misconduct. All unreported frauds portend the danger of loss of assets, loss of jobs and loss of other benefits that may adversely affect everyone, including YOU and ME. When we report, corrective action will be taken and this will go a long way in the life and performance of the bank.

Section 5 - How to Blow the Whistle/Awareness of the existing Facilities

All Stakeholders - Shareholders, Staff, Customers and other third parties that notice or identify any infractions against any staff or management of the bank should submit or make a complaint as follows:

I. Sends mail to the Chief Internal Auditor or to the CBN using the email addresses in the table below
II. Make phone calls to the Chief Internal Auditor or to the CBN using the phone lines in the table below
III. Walk straight to the Chief Internal Auditor at Internal Audit Group in Head Office and report a case
IV. Details of Officers, email and telephone Numbers are in the table below:

Chief Internal Auditor	CBN	KPMG
Polaris Bank Limited 3, Akin Adesola Street (Head Office) Victoria Island, Lagos Nigeria. Telephone: +234-1-291-1430 E-Mail address: whistleblowing@polarisbanklimited.com Or frauddesk@Polarisbanklimited.com	Email address: anticorruptionunit@cbn.gov.ng Telephone: +234-9-46236000	KPMG Ethics e-mail KPMG ethics line kpmgethicsline@ng.kpmg.com 0703-000-0026 0808-060-1222 0809-993-6366

V. Where the Chief Internal Auditor himself/herself is the object of complaints or if the whistleblower is dissatisfied with the progress and/or the outcome of the investigation, the Whistleblower shall direct his/her complaints to the Group Head Internal Control with the details below:

Group Head Internal Control
Polaris Bank Limited
3, Akin Adesola Street (Head Office)
Victoria Island, Lagos Nigeria.
Email: internal-control@Polarisbanklimited.com
Telephone: 0808-223-4955

While we encourage Complainants to state their names, they may choose to submit complaints under anonymous. Such complaints may also be submitted by visiting our website (www.Polarisbanklimited.com) and clicking on the whistleblower under "Contact us". The confidentiality of the complaint or anonymity of the person making the complaint will be maintained to the fullest within the confines of the law.
The existence of this Policy and procedures and the various channels through which the whistleblower could populate the complaints shall be stated on Polaris Plus, Staff employment letter (for new staff) and in the Staff Hand Book.

Section 6 - Scope of Coverage

Whistle blowers should report breaches that are likely to be of material significance to the Bank in carrying out its functions. A breach is considered as materially-significant in the following circumstances:

6.1 Questionable practices relating to accounting, auditing, internal controls, and financial fraud. Examples include: misstatement of revenues or documents relating to revenues; misstatement of expenses; misstatement of assets; and illegal transactions.

6.2 Concerns regarding criminal, questionable or unethical banking practices. Examples include: money laundering; bank fraud; embezzlement; altering, fabricating, falsifying or forging of any loan or credit application, banking document, report or record; or questionable practices relating to regulatory or internal banking controls.

6.3 Violation of banking laws and regulations.

6.4 Any form of credit or Risk asset frauds through illegal granting of loan or collection of fake documents to secure loans or colluding with known or unknown customers to defraud the bank on credit facilities availed.

6.5 Direct or indirect offer, payment, promise to give money or anything of value to anyone to improperly influence the recipient's behaviour. These include: allegations of improper payments inside or outside Nigeria; and to government officials, political parties, political party officials and candidates for political office.

6.6 A conflict of interest, which is defined as a situation in which an individual has a private or personal interest sufficient to appear to influence the objective exercise of his or her official or fiduciary duties. Examples include: bribery; misuse of confidential information; inappropriate customer relations; and inappropriate vendor relations.

6.7 Sexual, physical and other abuse of employees, customers, job applicants, contractors or other stakeholders.

6.8 Unauthorized or illegal access to or disclosure of personal data, which include but are not limited to dates of birth, employment, medical, financial, and individually-identifiable health information.

6.9 Unauthorized disclosure of the Bank's, our business partners', our clients', or another third-party's confidential information, or other potential violations of the Bank's oath of secrecy and confidentiality or information security policies.

6.10 Misappropriation (for one's own use) of funds that have been entrusted to a person for care or management. Examples include: deliberate bookkeeping errors; misapplication of funds; and mishandling of cash etc.

6.11 Falsification, fabrication, forgery, or unauthorized alteration of the Bank's records including: accounting records; expense reports; customer invoices, or other electronic or hard copy Bank records; or providing false or misleading information to third parties.

6.12 Violations of the rules pertaining to the Bank's Gifts and Gratuity Policy; the giving, receiving, or solicitation of items which could be reasonably interpreted as an effort to improperly influence a business relationship or decision.

6.13 Improper use of intellectual property; intellectual property infringement, misappropriation, or disclosure; copyright violations or software piracy.

6.14 Unauthorized, unlawful, or improper use of the Bank's resources, including the

unauthorized use of Bank's resources other than for legitimate business purposes. Examples include: diverting of business opportunity; misuse of assets or services; unauthorized/fraudulent use of Bank's facilities and equipment; and other types of Waste, abuse, or misuse of the Bank's resources.

6.15 Any purchase or sale of securities while in the possession of information that may be considered "inside" information or discussion of such information with any third party inside.

Section 7 - WHISTLE-BLOWER PROCEDURE

7.1. General

7.1.1 Complaints may cover any possible breach by a Polaris Bank employee of an external or internal regulation as set out in the Bank's policies, or any procedure regarding accounting or auditing matters, including alleged irregularities of a general, operational or financial nature in the Bank.

7.1.2 If the Whistle - blower Procedure conflicts with any applicable local law or regulation, such local law or regulation shall prevail.

7.1.3 The Management shall ensure that the Whistle-blower procedure is known and available to all employees and other stakeholders.

7.1.4 The Chief Internal Auditor shall be appointed as the "Reporting Officer", unless the Board decides otherwise.

7.1.5 The Reporting Officer shall assist Management in the implementation of the procedure and is also responsible for the receipt of complaints and carrying out the preliminary investigation.

7.2 Complaints and Incidents

7.2.1 All complaints received via the designated media shall be promptly opened by the Reporting Officer or his/her designate in his/her absence

7.2.2 The Reporting Officer shall perform a preliminary investigation upon receipt of any complaint from a Whistleblower.

7.2.3 The Reporting officer shall discuss a reported complaint with the management of the business unit involved.

7.2.4 The Reporting Officer shall have recourse to the next (higher) level of Management, if Management itself is the object of complaint.

7.2.5 The Whistleblower shall not be required to prove the truth of an allegation, but must demonstrate that there are sufficient grounds for the concerns raised.

7.2.6 The Reporting Officer shall advise the Management to close the complaint if his investigation shows no justification for the complaint.

7.2.7 The Whistleblower will be given general information on the progress of the investigation (and its outcome) unless the Whistleblower prefers not to be informed or unless this would be detrimental to the Whistleblower or the investigation or unless there are other cogent reasons not to inform the Whistleblower.

7.2.8 The Reporting Officer is responsible for informing the Whistleblower if the complaint has been settled or closed

7.3 Reports to the Audit Committee

The Reporting Officer shall report the results of investigations and settlement of all complaints to the Board Audit Committee on a quarterly basis but shall not disclose the identities of the Whistleblowers.

7.4 Reports to the Chairman of the Board

The Reporting Officer shall report any complaints against any member of the Bank's Board to the Chairman of the Board of Directors. If, however, the Chairman of the Board is the object of a complaint, the Reporting Officer will report the complaint to the Chairman Board Audit & Risk Management Committee of the Bank.

7.5 Records of all Activities

The Reporting Officer will maintain records of all his activities, reports and information received. All the sources of information which formed the basis of the report will be kept confidential.

Section 8 - REQUIREMENTS TO SUPPORT THE WHISTLE- BLOWER PROCEDURE

8. 1. Easy Access

The Reporting Officer shall be accessible to all employees (including anonymous reporters).

The address and telephone number of the Reporting Officer shall be published. Persons wishing to report verbally should be able to visit the Reporting Officer in confidence. External meeting places should be arranged for this purpose, if required.

Management shall ensure that the confidentiality of the complaint and the Whistleblower is safeguarded.

8.2 Obligations of Whistleblower. A Whistleblower is obliged to:

8.2.1. Maintain confidentiality in respect of the details of his/her report, including the identity of person(s) identified in the report as being suspected of misconduct.

8.2.2. Ensure and cooperate in maintaining confidentiality of the investigation.

8.2.3. Keep the investigator informed of information that may affect the investigation.

8.2.4. Conduct himself/herself in an ethical manner.

8.2.5. Not to report the matter to any other organization or person while the matter is the topic of investigation.

8.2.6. Malicious use of the Whistle-blowing process shall result in disciplinary action against Whistle- blowers (staff members).

8.3 Safeguards: Anonymity, Protection and Anti-Retaliation Measures

8.3.1 The Bank will protect the Whistleblower's identity and person. The Bank will maintain as confidential the Whistleblower's identity unless:

i. such person agrees to be identified

ii. identification is necessary to allow the Bank or the appropriate law enforcement officials investigate or respond effectively to the disclosure.

iii. identification is required by law or under the Bank's rules and regulations, where a false accusation has been maliciously made; or

iv. The person accused is entitled to the information as a matter of legal right or under the Bank's rules and regulations in the disciplinary proceedings. In such an eventuality, the Bank shall inform the Whistleblower prior to revealing his or her identity

8.3.2 Retaliation shall not be permissible against any Whistleblower. "Retaliation" means any act of discrimination, reprisal, harassment, or vengeance, direct or indirect, recommended, threatened or taken against a Whistleblower by any person because the Whistleblower has made a disclosure pursuant to this Policy.

8.3.3 The protection the Bank can give parties external to the Bank shall be limited to the capability of the Bank in such circumstances. Any retaliatory action against a contractor or its employees, agents or representatives by Bank employees or by Bank contractors because of a disclosure made by such persons under the Policy will be treated as misconduct and subject to disciplinary action. If retaliation occurs at the hands of Bank contractors, then the contract in question will become subject to immediate review and possible termination.

8.3.4 Subject to the policy statement in Section 2 above, the following protection measures and sanctions may be employed by the Bank, depending on the circumstances:

- To the extent possible, the Chief Internal Auditor shall guarantee confidentiality of the identities of Whistleblowers. An individual who submits a complaint or is a witness in the course of an investigation shall, subject to the Bank's rules and regulations, have his or her identity protected by the Chief Internal Auditor.
- Where an individual makes or is in the process of making a report in the reasonable belief that the contents of the report are true on a matter subject to the authority of the Bank, that individual's identity shall be fully protected from unauthorized disclosure by the Chief Internal Auditor, even when making referrals to national authorities.
- Where a party external to the Bank reasonably believes that he or she is threatened with retaliation because he or she assisted in an investigation or an audit ordered by the Bank, on the recommendation of the Chief Internal Auditor, the Chairman of the Board shall commit the Bank to providing reasonable and appropriate assistance to secure that party's protection.
- Where there has been an unauthorized disclosure of the identity of a Whistleblower or. someone assisting in the Internal Audit Group inquiries, the Chief Internal Auditor shall institute the appropriate disciplinary measures available under the Bank's rules and regulations.

Section 9 – REWARD TO WHISTLEBLOWER

In the event that the information given by the Whistleblower (Internal or External) results in avoidance of significant loss or damage to the Bank, the Executive Committee, in its sole discretion, may provide reward to the Whistleblower. The EXCO has the prerogative to determine what is "significant loss or damage" and the nature of the reward to be provided to the whistle blower.

Section 10 - FEEDBACK TO THE WHISTLE- BLOWER

10.1 Request for additional Information

The Reporting Officer shall revert to the Whistle Blower should any further information or supporting document be required to conduct detailed investigation.

This should be done via the channels with which the Whistle blower logged the initial

complaint or other means as may be suggested by the Whistle blower.

10.2 Reply to the Whistleblower

While the purpose of this Policy is to enable the Chief Internal Auditor investigate the concerns of the Whistleblower and take appropriate steps to deal with it, the Bank through the Chief Internal Auditor will give the Whistleblower as much feedback as it can.

The Chief Internal Auditor may not be able to inform the Whistleblower the precise action the Bank takes in cases where this would infringe on duty of confidentiality owed by the Bank to its stakeholders

NB- The Chief Internal Auditor is responsible for the administration, revision, interpretation and application of this policy. The policy shall be reviewed annually as may be necessary and revised at least once every two years. This new policy document and its subsequent reviews are subject to formal Board approval.

Proposed by:

Signature: _____ Date: 26/07/2022

Rotimi Omotayo, Chief Internal Auditor

Concurred by:

Signature: _____ Date: 01/08/22

Managing Director/CEO

Approved by:

Signature: _____ Date: 07/08/2022

Chairman, Board Audit and Risk Management Committee