

WHISTLEBLOWER

Document Version and Change Control

Issue date	Version	Reviewed By	Approved By	Change Details
24/04/2011	1.0	1. Group Head of HR & Administration 2. Chief Operating Officer 3. Chief Auditor	Director & Chief Executive Officer	Not Applicable
07/05/2017	2.0	1. Head of Operational Risk 2. Group Chief Risk Officer 3. Group Chief Auditor 4. Director & Group Chief Executive Officer	Board of Directors	Sec 3 & 4 of the Policy covering the procedural aspects have been modified.
04/10/2018	3.0	1. Board Secretary 2. Compliance Officer	Board of Directors Board Secretary	Sec 2, 4, 5, 6, 7, 8, 9, 10, 11, 12 & 13
04/08/2021	4.0	1. Deputy CEO – Corporate Affairs 2. Head of Compliance & MLRO	Board of Directors	Sec 4
15/05/2024	5.0	1. Head of Compliance & MLRO	Board of Directors	Sec 5, 8
09/02/2026	6.0	Chief Compliance Officer	Board of Directors	Sec 4

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1. Purpose

Al Salam Bank encourages all employees to report to the management promptly any breach or suspected breach, as defined under paragraph 3 (hereinafter also referred to as a "breach"). Such reporting is commonly known as "whistle blowing" and the employee who reports the breach is known as the "Whistleblower".

The Bank aims to achieve its business objectives based on the principles of fairness, honesty, integrity, and respect. Accordingly, it wants to ensure that any employee who wishes to make a report of any breach, which he or she reasonably believes to be true, can do so without the risk of retaliation and with the assurance that all reports are treated strictly confidentially and shall be promptly investigated with corrective action taken, if required.

- This policy clarifies:
- The procedures on how an employee can report a breach;
- The actions to be executed by the designated official who receives the report; and
- The obligations of the Bank.

2. Scope

This policy shall be applicable to Directors, all employees, including temporary staff, and any external party who may have observed a reportable misconduct during their transaction with the Bank.

3. Definitions

A Breach is defined as a suspicion based on reasonable grounds with regard to the Bank and in connection with:

- Failure to comply with internal Bank policies, external regulations or any legal obligation;
- A miscarriage of justice;
- Danger to health and safety;
- Damage to the environment;
- Misuse of Bank's resources;
- Fraud & financial irregularities;
- Inside trading;
- Deliberate improper business conduct;
- Damage to the Bank's reputation or any misconduct or misbehavior with a potential to affect the reputation of the Bank;

- Deliberate concealment of information tending to show one of the above is occurring or likely to occur;
- Disclosure of Bank's and client data;
- Dual employment;
- Sexual or physical abuse; or
- Any other unethical conduct.

It shall not include mismanagement which may arise from error or incompetence that are categorized under operational errors. Nor does it include a personal grievance like career growth; employment benefits (e.g. Salary increments, bonus, or other benefits).

4. Designated Contact

The Audit and Risk Committee shall appoint the Chief Compliance Officer as the Whistle Blower Officer, who shall be the focal point of contact for all whistleblower complaints/allegations.

The Whistle Blower Officer Contact can be reached using any of the following channels, to protect the confidentiality and anonymity of the whistleblower:

- Direct: +973 33841000
- E-mail: report.wb.asbb@gmail.com
- Post: P.O. Box 18282

5. Reporting the breach

- Whistleblowers shall report the Breach the Designated Contact who will report it directly to the Audit and Risk Committee.
- The Breach shall be reported through email/letter/telephone.
- If the Designated Contact is not reachable or is not able to take action or discuss the reported incident with the Whistleblowers, Whistleblowers may report the same directly to the Chairperson of the Audit and Risk Committee, through email (ASBB.WB@gmail.com).
- The Whistleblower who has reported a Breach shall keep the information confidential and not disclose it to any other individual at the Bank, unless necessary.
- The Whistleblower shall not conduct any investigation on their own and shall await the decision of the Audit and Risk Committee.
- No information shall be provided to the third parties in or outside the Bank.
- All reported Breaches will be handled by the recipient with high sensitivity and confidentiality, and the identity of the staff reporting the Breach will be not disclosed.

6. Anonymous allegation

If an individual chooses to report their concerns anonymously, the Bank shall respect their anonymity. However, anonymous reports shall be considered at the discretion of the Bank based on the credibility of the allegation as well as the likelihood of confirming the allegation through other sources.

7. Protection of the whistleblower

- The Bank is committed to protecting the whistleblower from any form of retribution, victimization and harassment, and where specifically requested, will protect the identity of the whistleblower to the extent possible.
- Should the whistleblower face any adverse reactions due to their whistleblowing report, he or she shall escalate the issue to the Audit and Risk Committee.
- However, if during the course of the investigation, the investigating team has sufficient evidence that the reporting person has used this policy to falsely implicate another person, disciplinary proceedings will be initiated against the reporting person.

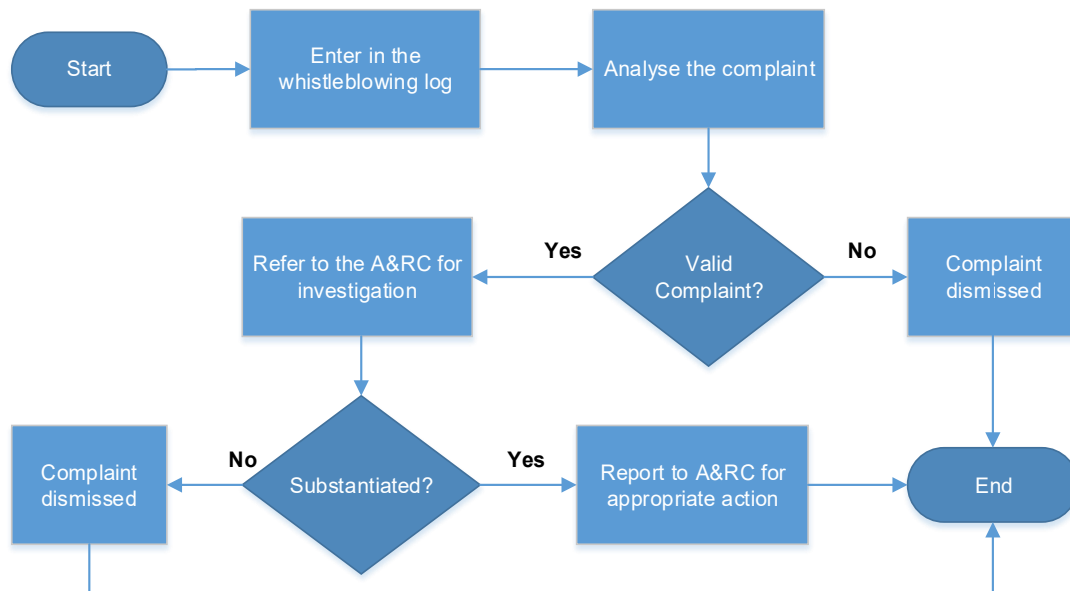
These provisions shall not be applicable, if the whistleblower has opted to report an anonymous allegation.

8. Procedures

The following procedure shall be followed:

Escalation:

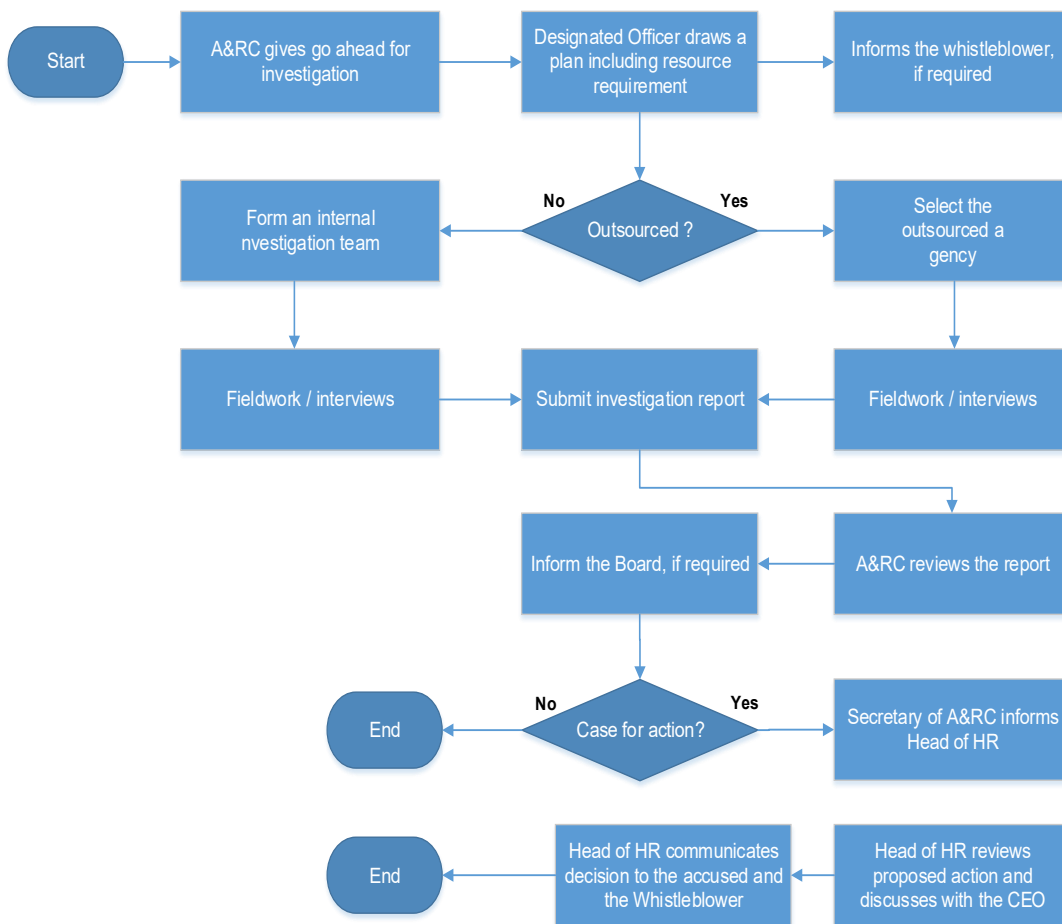
- a) The Designated Officer shall make a written record of the communication after ensuring that the Breach reported is in accordance with the provisions stated above. The date of receipt shall be recorded. An acknowledgement shall be provided to the Whistleblower.
- b) Immediately after the Whistleblower's report, the Designated Officer shall analyze the merit of the complaint, before discussing with the Audit and Risk Committee.
- c) Prior to any investigation, the receipt and analysis of complaints/allegations is very important. The following complaint handling process is to be followed:



Investigation:

- The Designated Contact shall inform the Audit and Risk Committee about the complaint/allegation, who will then decide on the investigation to be conducted.
- An investigation into the Breach shall commence by t the Audit and Risk Committee appointing the investigator who may be the internal auditor of the Bank or an outsourced party.
- During investigation, the identity of the Whistleblower shall not be disclosed and investigation shall be conducted in such a manner as to safeguard wherever possible, the anonymity of the Whistleblower. Wherever required, necessary assistance from Human Resources Department shall be obtained by the investigating officials.
- Further, during the course of the investigation, the alleged perpetrator shall not be tipped off regarding the allegation received against him or her.
- The team conducting the investigation shall inform the Audit and Risk Committee of the results of the investigation. The Audit and Risk Committee, on reviewing the investigation report, may inform the Board, if required.
- Based on the results of the investigation, if there is a case for action, the Secretary of the Audit and Risk Committee shall communicate the proposed action(s) to the Head of Human Resources.

- g) The Head of Human Resources shall review the proposed action(s) and discuss with the Chief Executive Officer/Delegated Authority and decide the next course of action. Wherever appropriate, the decision taken against the accused person(s) shall be communicated to him/her/them by the Head of Human Resources. All actions against the accused employee shall be taken in accordance with the Bank's policies and regulatory guidelines. A copy of the response shall be sent to the the receiver of the complaint, and to the respective Heads (COO/CRO/Respective DCEO/Head of Shari'a Compliance) for information and records.
- h) The Human Resources Department shall inform the Whistleblower of the results of the investigation and action taken against the accused, if any, under instruction from the Chairman of the Audit and Risk Committee.
- i) In case, the proposed action leads to legal proceedings, the Whistleblower may be asked to bear witness. In such instances, the Bank will extend full support to the Whistleblower during the hearing.



Note: The above investigation procedure shall also be applicable if the Whistleblower faces any adverse actions against them.

Further, the whistle Blower officer is responsible for escalating any material concerns to the Central Bank of Bahrain.

9. Obligation of the Bank

No employee who in good faith reports a breach shall suffer harassment, retaliation or any adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith shall be subject to disciplinary action by the Bank. The Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Bank rather than seeking resolution outside the Bank.

10. Effective date

The policy shall be implemented immediately on approval.

11. Responsibility

The Human Resources Department of the Bank shall be responsible for implementation of the policy as well as its periodic review. The Department shall further be responsible for the custody of all related communications with the employee and the investigating authorities.

12. Local Law

On the occasion, where there is a conflict between the rules of this policy and the Law of the land, the Law of the land will supersede the rules given in this policy.

13. Communicating the Policy

This Policy shall be communicated to those applicable, by the following means:

- Employees of the Bank – By publishing it on the Bank's intranet.
- External parties – By publishing it on the Bank's website.
- Board of Directors - By incorporating this Policy as part of the Director's Handbook to be provided to all members of the Board.