

PUNE PEOPLES CO-OP BANK LTD

WHISTLE BLOWING POLICY AND PROCEDURE MANUAL

TABLE OF CONTENTS

A REVIEW AND APPROVAL	2
B OWNERSHIP / CUSTODIANSHIP OF THE MANUAL	2
C APPLICATION / DISTRIBUTION OF THE MANUAL	2
D ABBREVIATIONS	2
1. Explanatory Forward	2
2. Objectives of the Policy	3
3. Scope of the Policy	3
4. Commitment to the Policy	4
5. Who Should Blow the Whistle	5
5.1 Types of Whistle Blowing	5
6. Whistle Blowing Procedure	5
6.1. Internal Whistle Blowing Procedure	5
6.1.1 Reporting Format	6
6.1.2 Investigating Process of Concerns by an Internal Whistleblower	6
6.2 External Whistle Blowing Procedure	7
6.2.1 Reporting Format	7
6.2.2 Investigating Process of Concerns by an External Whistleblower	8
7. Time Limit for Investigation	8
8. Protection/ Compensation of Whistle blower	9
9. Rights of Persons Implicated	9
10. Administration of the Policy	9

A. Review and Approval

The policy is needs to be approved by the board of directors in their board meeting and shall be reviewed every three years or as and when it required in order keeping it up to date.

B. Ownership/Custodianship of the Manual

This policy document is vested in the Head, Compliance and Head, Internal Audit who have overall responsibility for its implementation.

It shall be subject to review every three (3) years or as required (if earlier) in order to keep it up to date with changes to the relevant regulation or best practices. All suggestions for review and or amendments shall be forwarded to the Head, Compliance for necessary action, including obtaining Management/Board approvals of the amended policy.

C. Application/Distribution of the Manual

The policy shall apply to all employees, customers and service providers. The current version of this document shall be hoisted on the official website of Pune Peoples Co-op Bank Ltd, the Internal Audit. All queries relating to its contents or application should be made to the Head, Compliance and Head, Internal Audit.

D. ABBREVIATIONS

PPC – Pune Peoples Co-op Bank
SLA - Service Level Agreements
GM/CEO - General Manager/Chief Executive Officer
ACB-Audit Committee of the Board of Directors

1. EXPLANATORY FORWARD

Pune Peoples Bank is committed to the highest standards of ethics, honesty, transparency, openness and accountability. In line with this commitment and in order to enhance good Governance, transparency and safeguard the integrity of our institution, the Whistle blowing Policy and Procedure Manual is intended to provide:

(i) An avenue for raising concerns related to any illegal or unethical behaviour such as fraud, corruption, irregularity, misrepresentation, malafide conducts and other misconduct

(ii) Assurance that those who disclose such information will be adequately protected and that action would be taken on the disclosure.

According to the intent of this policy, whistle blowing is the reporting of alleged unethical, illegal, malafide conduct of employees, management, directors and other stakeholders by an employee or other person to appropriate authorities.

The whistle blowing policy aims to create a work environment where employees, vendors, service providers, customers and other stakeholders are able to raise concerns on misconduct, irregularities or malpractices, without fear of harassment and/or victimization and with an assurance that their concerns will be taken seriously and investigated, and the outcome duly communicated.

Employees are internal whistle blowers who report incidents of misconduct in an organization involving a peer/colleague, a supervisor or indeed a top management official. External whistle blowers who are mostly customers/suppliers report wrong doings of employees to the Head, Internal Audit and/or the General Manager/Chief Executive Officer respectively.

Employers and employees are key stakeholders and therefore expected to play a vital role in deterring and detecting malpractices, wrongdoing or irregularity. However, there is reluctance for fear of reprisal by way of harassment or victimization at the hands of the organization or group of people accused which this policy aims to abate.

It is however pertinent to note that this policy does not replace but complement the bank's approved internal control, policies and guidelines.

OBJECTIVES OF THE POLICY

This policy aims to set out the Bank's written, formal whistle-blowing policy, consisting of responsible and effective procedures for disclosure or reporting of misconduct and impropriety so that appropriate remedial action can be taken if concerns are deemed legitimate.

It is intended to encourage staff and other relevant stakeholders to report unethical or illegal conduct or conduct of employees, management, directors and other stakeholders to appropriate authorities in a confidential manner without any fear of harassment, intimidation, victimization or reprisal of anyone for raising a concern under this policy. Specific objectives of the policy are to:

- Encourage timely reporting of alleged malpractices/misconduct.
- Provide a means for discreet and confidential channel for escalation of concerns without fear of reprisal.
- Ensure consistent and timely institutional response to reported improprieties and awareness by whistleblowers of their options/rights.
- Ensure appropriate oversight by the Board of Directors / Regulators

- Serve as a means of preventing and deterring misconduct that may be contemplated but has not yet taken place.
- Protect the rights of the Bank and that of its shareholders.
- Promote and development of a culture of openness, accountability, integrity and transparency.

3. SCOPE OF THE POLICY

This policy and procedure manual is designed to enable employees and other relevant stakeholders report acts of impropriety to appropriate authorities. The report should however not be based on mere speculation, rumours or gossip but on personal knowledge of verifiable facts or circumstances to indicate that the reportable misconduct has occurred or likely to occur.

All staff, stake holders and reporting entity is protected from victimisation, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain. Reportable misconduct include without limitation to the following:

- All forms of financial malpractices or impropriety such as fraud, corruption, bribery or theft.
- Actions detrimental to Health and Safety or the Environment.
- Any form of criminal activity.
- Improper conduct or unethical behavior; that undermines universal and core ethical values such as integrity, respect, honesty, accountability, fairness etc.
- Failure to comply with regulatory directives, administrative or internal policy framework
- Failure to comply with legal obligations or statutes.
- Other forms of corporate governance breaches;
- Connected transactions;
- Insider abuse;
- Non-disclosure of interest;

- Sexual or physical abuse of any staff, customer, applicant, service provider and other relevant stakeholders;
- Conduct translating to gross waste of resources
- Attempt to conceal any of the above listed acts.

This policy impacts all employees of the Bank, regardless of grade, location or function.

4. COMMITMENT TO THE POLICY

The Board of Directors and Management is committed towards promoting a culture of openness, accountability, transparency and integrity, and will not tolerate harassment, victimization or discrimination of the whistle blower provided such disclosure is made in good faith with reasonable belief that what is being reported is true.

Therefore employees, stakeholders, and members of the public can raise legitimate concerns, without fear of and are given assurance that such concerns would be adequately addressed.

Our whistle blowing policy is therefore fundamental to the Bank's professional integrity. In addition, it reinforces the value it places on staff to be honest and respected members of their individual professions. It provides a method of properly addressing bona fide concerns that individuals within the organization might have, while also offering whistleblowers protection from victimisation, harassment or disciplinary proceedings.

Whilst the Bank encourages disclosure of identity by the whistle-blower, where possible, it also appreciates disclosure under anonymity with re-assurance that such identity would be protected at all stages in any internal matter, except with the consent of the individual or in circumstances where the Bank is unable to resolve the concern without revealing such an identity; for instance, if external legal action flows from the disclosure and the employee's evidence is required in court.

If an allegation is made in good faith but not confirmed by subsequent investigation, no action will be taken against the person concerned. However, an individual who makes an unsubstantiated claim or an allegation, which is knowingly false or made with malicious intent, will be subjected to appropriate disciplinary action.

5. WHO SHOULD BLOW THE WHISTLE

Any individual who has observed reportable misconduct can report his / her concerns to designated parties as prescribed by this Policy provided they are made in good faith, and the disclosure is true and reasonable.

All staff should ensure that appropriate steps are taken to disclose any wrongdoing or malpractice of which they become aware as non-action/ concealment will be deemed as complicity.

The disclosure should be made to an appropriate person or authority.

5.1 Types of Whistle Blowing

There are two categories of whistle blowers namely:

- Internal whistle blowers - employees who are expected to report incidents of misconduct involving peer, supervisor/superior or top management staff to relevant reporting point.
- External whistle blowers - customers, suppliers, service providers, stakeholders and other members of the public who report wrong doings of employees to the Head, Internal Audit or the General Manager/Chief Executive Officer.

6. WHISTLE BLOWING PROCEDURE

This Whistle blowing Procedure provides a mechanism for reporting any unlawful conduct at work and reassurance that exposing wrongdoing would not pose any risk to the whistleblower.

The whistleblower should however make it clear that they are making their disclosure within the scope of the whistle blowing policy in order to ensure that the recipient of the disclosure conduct the investigation within the ambit of the policy and more importantly, protect the identity of the whistleblower if required.

6.1 Internal Whistle Blowing Procedure

An internal whistle blower may raise concerns either by declaration or anonymously through any of the following:

- Formal letter to the General Manager/Chief Executive Officer (GM/CEO) of Pune Peoples Bank and/or the Head, Internal Audit.
- Call or text dedicated phone number
- On Communicator chat
- Dedicated whistle blowing e-mail: ppcbank.in

Changes to any of the channels detailed above would be promptly communicated to all stakeholders by the Bank through the approved channels after which the policy would be amended accordingly.

Where the concern is received by staff other than the GM/CEO or the Head of Internal Audit, the staff to which the concern is directed shall be required to;

Document and immediately forward the concern(s) to the Head, Internal Audit with copy to the General Manager/Chief Executive Officer.

If the concerns affect the Head, Internal Audit, the General Manager/Chief Executive Officer must be notified, and where such issues affect Executive Management or a particular Director, such concern shall be referred to the Board through the Board Governance Committee for appropriate action within a reasonable time.

6.1.1 Reporting Format

The concern(s) shall be presented in the following format;

- Background of the concerns (with relevant dates).
- Reason(s) why the whistle blower is particularly concerned about the situation. Supporting evidence for the allegations, if available, would be helpful in the investigation.

6.1.2 Investigating Process of Concern(s) by an Internal Whistle Blower

The Head, Internal Audit shall within seven (7) days of receipt of the concern from the whistle blower:

- Acknowledge receipt of the issue(s) raised.
- Commence review to ascertain validity of claim and also determine whether the concerns fall within the scope of whistle-blowing or not.
- The purposes of investigation are to:
 - Establish if a wrongdoing has occurred based on the concern(s) raised, and if so, to what extent; and
 - To minimize the risk of further wrongdoing, prevent any further loss of assets, damage to the reputation of the Bank and if possible protect all sources of evidence.

The Head, Internal Audit shall, upon conclusion of the investigation, submit a detailed report to the Head, Human Resource Department (HRD) for appropriate actions in line with the approved policies of the Bank.

Disciplinary sanctions must however be ratified by ACB or the Board of Directors depending on the grade of the staff involved and in line with the staff Disciplinary Policy/Procedure.

Where necessary, the Head, Internal Audit will keep the whistleblower informed of progress and the outcome of the investigation, within the constraints of maintaining confidentiality or observing legal restrictions generally.

If dissatisfied with the outcome of the investigation, a whistle blower may have recourse to the Chairman, ACB which will not affect the fundamental right of the internal whistleblower to seek redress at regulating authority.

Furthermore, the Head, Internal Audit shall periodically submit a summary of reported cases and outcomes to the Chairman, ACB.

6.2 External Whistle Blowing procedure

An external whistle blower are customers, suppliers, service providers and other members of the public who report wrong doings of employees to the Head, Internal Audit or the Group General Manager/Chief Executive. An external whistle blower may raise concerns either by declaration or anonymously through any of the following:

- Formal letter to the General Manager/Chief Executive Officer (GM/CEO) of Pune Peoples co-op bank ltd and/or the Head, Internal Audit.
- Call or text dedicated phone number.
- Dedicated whistle blowing e-mail: ppcbanc.in
- Directly to the General Manager/Chief Executive Officer (GM/CEO)
- Directly to the Head, Internal Audit

Changes to any of the channels detailed above would be promptly communicated to all stakeholders by the Bank through the approved channels.

Where the concern is received by staff other than the GM/CEO or the Head, Internal Audit (, the staff to which the concern was directed shall be required to;

- Document and immediately forward the concern(s) to the Head, Internal Audit with copy to the General Manager/Chief Executive Officer.
- If the concerns affect the Head, Internal Audit, the General Manager/Chief Executive Officer would be notified, and where such issues affect Executive Management or a particular Director, such concern shall be referred to the Board through the Board Governance Committee for appropriate action within a reasonable time

6.2.1 Reporting Format

An external whistle blowing shall follow the following procedure while presenting the concern(s) in the following format:

- Background of the concerns (with relevant dates)
- Reason(s) why he/she is particularly concerned about the situation.

Disciplinary measures in line with the staff hand book shall be taken against any staff that receives concerns from an external whistle-blower and fails to pass same to the appropriate authority.

6.2.2 Investigating Process of Concern(s) by an External Whistle Blower

The Head, Internal Audit shall within 7 days of receipt the concern from the whistle blower:

- Acknowledge receipt of the issue(s) raised.
- Carry out preliminary review to ascertain validity of the claim and also determine whether the concerns fall within the scope of whistle-blowing or not.
- The purposes of investigation are to:
 - Establish if a wrongdoing has occurred based on the concern(s) raised, and if so to what extent; and
 - To minimize the risk of further wrongdoing, prevent any further loss of assets, damage to the reputation of the Bank and if possible protect all sources of evidence.

If preliminary investigation shows that the concerns falls within the whistle blowing reportable concerns, then further investigation shall be carried out. If otherwise, the Head, Internal Audit shall refer the matter to the appropriate quarters for further action. If criminal activity has taken place, the matter may be referred to the police, and where necessary, appropriate legal action taken. The Head, Internal Audit in addition to notifying the police must bring the matter to the attention of Management.

The Head, Internal Audit shall give update of the progress of investigation to the whistle-blower if deemed necessary.

The Head, Internal Audit shall, upon conclusion of the investigation, submit a detailed report to the Head, Human Resource Department (HRD) for appropriate actions in line with the approved policies of the Bank.

Where necessary, the Head, Internal Audit will keep the whistleblower informed of progress and the outcome of the investigation, within the constraints of maintaining confidentiality or observing legal restrictions generally.

If dissatisfied with the outcome of the investigation, a whistle blower may have recourse to the Chairman, ACB which will not affect the fundamental right of the whistle-blower to seek redress at regulating authority.

Furthermore, the Head, Internal Audit shall periodically submit a summary of reported cases and outcomes to the Chairman, ACB

7. TIME LIMIT FOR INVESTIGATION

In line with the policy of the Bank, Pune Peoples co-op Bank is committed to prompt resolution of all concerns or issues raised. In the event that the investigation of whistle blowing complaint was not concluded promptly, the Head, Internal Audit must keep the General Manager/CEO abreast of progress.

8. PROTECTION/COMPENSATION FOR WHISTLE BLOWER

The Bank has an obligation to adequately protect the whistleblower. Therefore reprisal against any employee who in good faith reports a concern about illegal or unethical conduct will not be tolerated.

The Bank is also committed to maintaining confidentiality to the fullest extent possible and provides assurance that all reports will be subject to appropriate investigation and conclusion through an efficient process.

Therefore, whistleblowers are encouraged to disclose their names when filing reports to enhance credibility. However, anonymous disclosures may be considered on the following discretionary basis:

- i) The seriousness of the issues
- ii) The significance and credibility of the concerns
- iii) The possibility of confirming the allegation

Whistleblowers either internal or external may be rewarded depending on the gravity of the case. Compensation may also be provided to whistleblowers who may have suffered loss in the course of the process provided the whistle blowing is made in good faith and based on reliable information. This is however at the discretion of management.

9. RIGHTS OF PERSONS IMPLICATED

Any PPC Bank member of staff implicated by the 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.

It is important to note that the basic rights of any member of staff implicated by the reported incidents must be respected, whilst ensuring that the procedures provided for are effective.

10. ADMINISTRATION OF THE POLICY

The Head of Compliance shall be consulted in advance in the event of the adoption or amendment of any internal provision establishing obligations for member of staff of the bank or its stakeholders to report irregularities.

The Head of Compliance in agreement with the Head Human Resources shall propose to Management Committee any necessary amendments to these provisions.

Assitt. General Manager

General Manager

Chief Executive Officer

[THE ABOVE POLICY IS APPROVED BY HON. BOARD IN THEIR MEETING NO.30 DATED 25.03.2022 VIDE RESOLUTION NO. 6/13]