



WHISTLEBLOWER POLICY

Policy Statement:

The Bank is committed to adhere to the highest standards of ethical, moral and legal conduct in the operation of its business.

To maintain these standards, it is the policy of the Bank to:

- a. Encourage employees to report internally any suspected or actual commission of theft/fraud, violation of ethical standard, law, rule or regulation and/or any misconduct by its Directors, officers or staff;
- b. Conduct a prompt and thorough investigation and take appropriate corrective action for any alleged commission of theft/fraud and/or violation reported by employees and/or third-parties.
- c. Protect the employee/whistleblower against retaliation, discrimination, harassment or adverse personnel action, for reporting in good faith a suspected or actual violation.
- d. Reduce, if not eliminate, the occurrence of corporate fraud in line with sound banking practice and risk management.
- e. Strengthen the Bank's system on detection and prevention of corporate fraud.

Coverage:

This Policy applies to the Bank's Directors, regular/permanent and probationary officers and staff in the Head Office and domestic branches/offices, including regular/probationary/ temporary officers and staff in overseas branches/subsidiaries.

Policy Guidelines:

- a. It is the responsibility of all Directors, officers and staff to report suspected or actual occurrence of fraud and/or violation of any law, rule, policies, misconduct, etc., in accordance with the PNB Whistleblower Policy.
- b. The whistleblower can report the alleged suspected or actual event/violation through a conversation with, text message, call (via call center / hotlines), e-mail correspondence, and/or a written complaint to any of the following:
 - Head, Security Group (SG);
 - Head, Legal Group (LG);
 - Head, Internal Audit Group (IAG);
 - Head, Human Resource Group (HRG); or
 - Whistleblower's immediate officer (i.e. if the whistleblower is an employee of the Bank)

c. If the complaint / report / information is received by any of the aforementioned Officers (i.e., other than the Head of SG), the concerned Officer shall immediately report the same to the Head of the SG, who shall act as the lead authority in investigating/handling reported cases under the PNB Whistleblower Policy.

d. The whistleblower shall be requested to submit a signed and sworn statement using the attached "*Disclosure of Violation/Complaint Form*" (Annex A), containing the following information:

- Identity and full name of the whistleblower;
- Full name, position/rank and station of employee/s being reported/complained about (i.e., respondent/s);
- Details or description of the alleged anomaly/violation (e.g., the event/concern or issue; person/s involved; date, time and place of each event; etc.); and
- Proof/evidence/document or affidavits of witnesses, if any, to support the complaint or concern,

The signed document/sworn statement shall be submitted to the Head of the SG.

However, if the whistleblower is unwilling to submit the signed document/sworn statement, the concerned Officer/Group Head shall prepare a written report based on the information gathered and submit the same to the SG Head.

e. Upon receipt of the complaint/report, the following shall be undertaken:

- The complaint/report involves a Director

The Head of the SG, as the designated Team Lead shall submit/endorse the report to the Corporate Governance Committee.

- The complaint /report involves a Bank officer or rank and file employee

(i) The Head of the SG together with the concerned officer/Group Head shall gather as much details and information as possible, including "hearsay", and shall validate and determine the scope and nature of the complaint/concern with the whistleblower.

(ii) The Head of the SG, in his evaluation of the report, may –

- Recommend to IAG to conduct an examination of the branch(es) or office(s) concerned;
- Recommend to HRG to: (i) effect the immediate transfer of the whistleblower; or (ii) place under preventive suspension the employee/s being complained about; and/or
- Recommend to the LG the filing of appropriate criminal or civil action that may be warranted.

- (iii) The Head of the SG shall thereafter prepare an Incident/Preliminary Report attaching all the obtained documents not later than five (5) working days and submit the same to the Ethical Standards Committee for appropriate disposition.
- f. The identity of the whistleblower or complainant must be kept in strict confidence.
- g. The whistleblower may report to the Head of SG or any of the Group Heads (i.e., LG, IAG or HRG) any retaliation or adverse personnel action taken against him/her by any individual or office in the Bank.
- h. Anyone who retaliates against the whistleblower shall be subject to disciplinary action, including the possibility of termination/dismissal from Bank service.
- i. Any employee found to have concealed or withheld information on any violation/misconduct shall be subject to disciplinary action (i.e., suspension to dismissal).
- j. The Bank shall circularize and disseminate this Policy to all its covered employees and shall require all officers and staff to submit a written acknowledgement that this Policy has been read and understood by them, which shall be submitted to HRG.
- k. New employees shall be informed about the Policy by HRG who shall require them to certify (i.e., written acknowledgement) that the Policy has been read and understood by them.
- l. This policy, which may be amended from time to time, shall be made available at the Bank's official intranet site ("Cybermag").
- m. It is understood that this Policy shall be liberally construed to attain the aforementioned objectives in its Policy Statement.

Definitions:

a. Whistleblower

A Whistleblower is an employee of the Bank or a third - party who discloses in good faith any illegal, unethical or improper events (behaviors or practices), and misconduct in the Bank.

b. Adverse Personnel Action

Adverse Personnel Action refers to an employment-related act or decision or a failure to take appropriate action by managerial personnel which may affect the whistleblower's employment, including but not limited to compensation, merit increase, promotion, job location, leaves and training or other privileges, demotion, threat/harassment or discharge from the service.

c. Alleged Misconduct

Alleged Misconduct shall mean violation of law, actual or suspected commission of theft; fraud; violation of the Bank's Code of Conduct or ethic policies; mismanagement; misappropriation of monies; noncompliance of legal and regulatory requirements and/or policies; misrepresentation of or any questionable audit, accounting and financial matters; and abuse of authority.

d. Bank

Bank means, the "Philippine National Bank" that covers its Head Office, domestic branches/offices and overseas branches/subsidiaries.

e. Good Faith

The whistleblower shall be deemed to be divulging information in 'good faith' if there is a reasonable basis for disclosing of unethical and improper practices or any other misconduct.

f. Managerial Personnel

Managerial Personnel shall include Directors, all Executives at the level of Manager and above, who have authority to make or materially influence significant personnel decisions.

g. Unethical and Improper Practices

Unethical and improper practices shall mean –

- An act which does not conform to approved standard of social and professional behavior;
- An act which leads to unethical business practices;
- Improper or unethical conduct;
- Breach of etiquette or morally offensive behavior, etc.

Any existing policy inconsistent with this Whistleblower Policy shall be deemed superseded.

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