

Whistle Blower Policy 2020-21



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WHISTLE BLOWER POLICY 2020 - 21

1. Preamble

To safeguard the Bank against internal /external threats like frauds, bribery, corruption, abuse of authority, non - compliance with laid down systems & procedures etc. Involving financial and reputational implication, constant vigilance at all levels is necessary through a process called 'participative vigilance' where each and every employee / director has certain role-play and is duty bound to execute the same. The staff members/directors are expected not to be silent spectators to any wrong doing in the branch/ office but to report the same to the higher authority/ies concerned. The same is intended to ensure that a few unscrupulous staff members are not vitiating the overall atmosphere / work culture and putting the Bank's interest in jeopardy.

It is also observed that these acts do not take place overnight but are being carried out/ perpetrated over a period of time. It is unlikely that such acts could escape the knowledge of other colleagues working in the Branch / Office. Had such instances of frauds, bribery, corruption, abuse of authority, non-compliance with laid down systems & procedures etc. been brought to the notice of the higher authority/ authorities concerned in time, further damage could have been avoided.

Staff members/directors, many a time, are hesitant to come forward and report to higher authorities about wrongdoings, mishaps around them fearing disclose of identity and probable retribution/ victimization from the official/s concerned. In order to instil confidence in the staff members/directors as well as to prevent the mishap at the initial stage itself, a need was felt for introduction of 'Whistle Blower Policy' which will lead to ensure more effective Corporate Governance.

Accordingly Whistle Blower Policy of the Bank was formulated in 2015 and the same was circulated after due approval from the Board. As per recent CVC guidelines the Whistle Blower Policy of the Bank should be in accordance with the provisions of SEBI (clause 49 of listing Obligations and Disclosure Requirements) Regulations 2015, the Companies Act 2013 and guidelines/directions dated 01.07.2016 issued by Reserve bank of India under section (35A) of the Banking Regulation Act. The modified Whistle Blower Policy is formulated in compliance to all the above guidelines.

2. **Objective of the Policy:** The Bank is committed to adhere to the highest standards of ethical, moral, and legal conduct of business operations. To maintain these standards, the Bank encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The policy aims at providing an avenue for employees to raise concerns on any violations of regulatory or legal requirements, non- compliance of laid down system and procedures.



3. Definitions:

- 3.1. **Employee:** Employee means every employee of Union Bank of India (Regular or Contractual) whether working in India or abroad.
- 3.2. **Director :** Director means an appointed or elected member of the board of directors of Union Bank of India.
- 3.3. **Protected Disclosure:** Protected Disclosure means a complaint raised by a written communication made in good faith that discloses or demonstrates information that may have evidence of unethical or improper activity .But it should be factual not speculative in nature.
- 3.4. **Whistle Blower:** Whistle Blower is someone who makes a Protected Disclosure under this Policy
- 3.5. **Good Faith:** An employee to be communicating in “good faith” if there is a reasonable basis for communication of unethical and improper practises or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the unethical and improper practises or alleged wrongful conduct is malicious, false or frivolous

4. Scope of the Policy:

The Whistle Blower’s role is that of a reporting party with reliable information and it intends to cover serious concerns that could have grave impact on the operations and performance of the business of the organisation. This Policy enables a Whistle Blower i.e.any employee or director to report matters such as the following:

- Breach of Bank’s Code of Conduct
- Questionable accounting or auditing matters
- Any Bank matters involving abuse of authority
- Fraud, bribery or corruption
- Employee Misconduct
- Illegality
- Wastage/ misappropriation of Bank’s funds / assets
- Victimization of employees and Directors
- Harassment
- Breach of IT security and data privacy
- Any other unethical conduct.

Further, the list as mentioned above is of indicative in nature and not exhaustive.

5. Who can blow the whistle :

Any employee (working in India or abroad) or director of the Bank who has definite and verifiable information about wrong doing/unfair practices carried out in the Bank and wishes to make a protected disclosure can blow the whistle.



6. Whistle Blower Mechanism - Process Flow for making Complaint

Whistle Blower will have the option of lodging his/her complaint either through online or offline mode. The detailed procedure to be followed by the complainant for lodging the complaint under 'Whistle Blower' category for Online & Off-line Mode is as under;

6.1. For Lodging the Complaint On-line on "Union Whistle Blower" portal

Bank has set up "Union Whistle Blower" portal on Bank's intranet (i.e UBINET) to facilitate lodging of Complaints under "Whistle Blower" category on-line. The access right to view the on-line complaints under "Whistle Blower" category is restricted only to the designated authority i.e **Chief Grievance Officer (CGO)**. It is desirable that the complaints be preferably lodged on-line. This will ensure in protecting the identity of the complainant as also confidentiality of the contents since only two persons will have right to access the complaint. The employees of the Bank can use the portal to make the complaint under Whistle Blower Policy. Acknowledgement number will be generated after lodgement of the complaint. Whistle Blower can track the updated status of the complaint in the portal by using the acknowledgment number and date of complaint.

6.2. For lodging the complaint off line (i.e. in physical form)

- i. Any employee or director can use the off line mode to lodge the whistle blower complaint.
- ii. The complaint should be in a closed /sealed envelope.
- iii. The designated authority for the complaints received from directors is Chairman of Audit Committee of Board.
- iv. Chairman of Audit Committee of Board is also the designated authority for complaints against Chief Grievance Officer(CGO).
- v. The envelope should be addressed to the Chief Grievance Officer (CGO)/Chairman of Audit Committee of Board and should be super scribed '**Complaint under Whistle Blower Policy**'. If the envelope is not super scribed and not closed, it will not be possible for the Competent Authority to protect the identity of the complainant and the complaint will be dealt with as per the normal complaint handling policy. The Complainant should give his/her name and address in the beginning or at the end of the complaint or in separately attached letter.
- vi. The complaint should be signed by the complainant at the end of the complaint after leaving some place. Designated authority will not entertain any anonymous / pseudonymous complaint.
- vii. The text of the complaint should be carefully drafted so as not to indicate any details or clue as to identity of the complainant. However, the details of the complaint should be specific and verifiable.
- viii. In order to protect the identity of the complainant, designated authority will not issue any acknowledgement and the whistle blowers are advised not to enter into any further correspondence with designated authority in their own interest. designated authority assures that, subject to the facts of the case being verifiable, necessary action will be taken as provided in this policy. If any further clarification is required, CGO will get in touch with the complainant.



However, it is advisable to lodge concern preferably through On-line mode to retain the confidentiality of the content as well as the identity of the Whistle Blower.

7. Committee for handling Whistle Blower Complaints

The whistle blower complaint received through online or offline mode will be placed before the committee comprising of Chief Grievance Officer (CGO), GM(MSME), GM(RBD) and GM(RMD) for deliberation and taking appropriate decision on the complaint. However wherever there is an element of fraud, the complaint shall be referred to Fraud Monitoring Group (FMG) for their inputs and based on the inputs of FMG final view on the complaint will be taken by the committee. The quorum for the committee will be three members including CGO.

8. Resolution of Whistle Blower Complaints

Chairman of Audit Committee of Board is the designated authority for complaints received from directors in offline mode. He is also the designated authority for complaints against CGO. The complaints against CGO should be made in offline mode as he/she has access rights to view the online complaints received through whistle blower portal.

CGO is the designated authority to receive written complaints made by employees of our Bank either through online or offline mode.

Designated authority, after receipt of the complaint will ascertain the identity of the complainant. If the complaint is anonymous/pseudonymous, the authority shall not take any action in the matter.

The identity of the complainant will not be revealed unless the complainant himself has made either the details of the complaint public or disclosed his identity to any other office or authority.

If the allegations made in the complaint are specific and verifiable then the same will be placed before the committee comprising of CGO, GM MSME, GM RBD and GM RMD for deliberation. The committee shall make discreet inquiry to ascertain whether there is any basis for proceeding further to investigate the matter. If the Committee is of the opinion that there is no sufficient ground for proceeding further on the complaint, it shall recommend closure of the matter.

If the committee, as a result of the discreet inquiry or otherwise is of the opinion that the complaint requires further investigation, it will forward the complaint to the Investigators for further investigation and seek report in the matter. Investigations will be commenced only after a preliminary review by the Committee comprising of GMs which establishes that:

- The alleged act constitutes an improper or unethical activity or conduct, and
- The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information and still felt that the subject matter would be worthy of investigation.



Committee will obtain all the relevant papers/ documents in respect of the matter raised in the complaint. While calling for preliminary inquiry/investigation report, the committee will not disclose the identity of the complainant. The committee shall also advise the authority/ies from whom such report/s is/are sought to keep the identity of the complainant as secret, even if for any reason/s, the said authority/ies come to know the identity of the complainant. In spite of the directions of committee to protect the identity of the complainant, if the identity of the complainant gets disclosed, CGO is authorised to recommend appropriate action against the authority/person responsible for making such disclosures.

The Committee shall make recommendations to appropriate authorities for taking suitable action within ten working days from the date of receipt of the report.

In case the complaint is connected to any of the committee members, the same will be referred to Chairman, Audit committee of the Board without referring it to the committee. Chairman of the Audit Committee of the Board will decide the constitution of the committee for looking into the specific complaint. In case the complaint is connected to the CGO, whistle blower has to make the complaint in off line mode directly addressing to Chairman of the Audit Committee of the Board.

Technical and other sources may be drawn upon as necessary to augment the investigation. The Competent Authority or the Chairman of audit committee, if deems fit, may call for further information or particulars from the complainant/whistle blower and at their discretion, involve any other/additional Officer or outside agency for investigation.

The Investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall normally be completed within 90 days of the receipt of the protected Disclosure and is extendable by such period as the committee deems fit.

If the complaint is found out to be frivolous or Bank is not taking any action, then the same will be intimated to the whistle blower by updating the status of the complaint in the online portal and if it is lodged through off-line mode the communication will be made through personal e-mail id of the whistle blower.

After conducting investigation, if it reveals that there was misuse of office and/or substance in the allegations of corruption, the Competent Authority (CGO) shall recommend appropriate action which shall inter-alia include following:

- a) Appropriate proceedings against the concerned staff member,
- b) Recommend to appropriate authority / agency for initiation of criminal proceedings in suitable cases, if warranted, by facts and circumstances of the case
- c) Recommend corrective measures to prevent recurrence of such events in future



9. Protection to Whistle Blower:

If one raises a complaint under this Policy, he/she will not be at risk of suffering any form of reprisal or retaliation. Retaliation includes discrimination, reprisal, harassment or vengeance of any manner. As a result of reporting under Protected Disclosure the protection is available provided that;

1. The Whistle Blower has chosen to identify himself.
2. The communication/disclosure is made in good faith
3. The Whistle blower reasonably believes that information and any allegations contained in it, are substantially true.
4. The Whistle Blower is not acting for personal gain.

Anyone who abuses the procedure (for example by maliciously raising a complaint knowing it to be untrue) will be subject to disciplinary action, however no action will be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if the allegation is not subsequently confirmed by the investigation.

Further, if any official/director is aggrieved by any action on the ground that he is being victimised due to the fact that he had filed a complaint, he may file an application before the competent authority (CGO) /Chairman of Audit Committee of the Board seeking redressal in the matter. Chairman of the Audit Committee of the Board /Competent authority will ensure that no punitive action is taken by any concerned authority against any person on perceived reasons /suspicion of being "Whistle Blower".

10. Responsibilities of Whistle Blower

The intent of this Policy is to bring genuine and serious issues to the fore and it is not intended for petty disclosures. Employees are expected to exercise their rights under this Policy in a judicious manner by adhering to the following guidelines.

- 1) Avoid anonymity when raising a concern
- 2) Follow the procedures prescribed in the Policy for making a disclosure.
- 3) Bring to early attention of the Bank any improper practice he/she become aware of delay in reporting may lead to loss of evidence and also financial loss for the organisation.
- 4) Co-operate with investigating authorities, maintain full confidentiality.
- 5) A whistle blower has the right to protection from retaliation. But this does not extend to the immunity for involvement in the matters that are subject of the allegations and investigations.

11. Escalation Matrix:

If the Whistle Blower/Complainant is not satisfied with the response of the Competent Authority or is not satisfied with the decision of the Investigating /Screening Committee he/she is free to take up the matter with the **Chairman of the Audit Committee** through written communication.



12. Recognition:

In case a complaint results in detection of unethical practises/abuse of authority/fraud/other wrong doings and thereby averts or minimizes the financial / reputational loss to the Bank , the moral courage shown by the whistle blower (in staff) will be recognised by the Bank by way of appropriate indirect incentives/benefits.

Towards this end, CGO will ensure along with the General Manager (HR) that such genuine informants are given due weightage in career growth and placement as deemed fit. A dossier will be personally maintained by the GM (HR) in strict confidence for the purpose. The Competent Authority will ensure full protection against disclosure of identity of the whistle blower.

13. Reporting Structure:

A quarterly report shall be submitted to the Audit Committee of the Board regarding the cases received through Whistle Blower Mechanism and action taken on these cases without revealing the identity of the Whistle Blower.

14. Validity of the Policy

The policy shall be valid for the financial year 2020-21 and its continuity may be extended for a further period not exceeding three months with the specific approval of **MD & CEO**.

