



WHISTLE BLOWING POLICY AND PROCEDURE

SBP/CG/WP/22/004

Version 4.0

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WARNING AND DISCLAIMER

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Any misuse of the policy may be redressed by Sterling Bank Plc.

PREFACE

The Bank is committed to the highest standards of openness, probity, and accountability.

An important aspect of accountability and transparency is a mechanism that will enable staff and other stakeholders of the Bank voice their concerns in a responsible and effective manner. It is a fundamental term of every contract of employment that an employee will faithfully serve his or her employer and not disclose confidential information about the employer's affairs.

An effective whistleblowing policy is a key element in fraud risk management which will also go a long way in entrenching good corporate governance. However, to gain the protection afforded to whistle blowers by this Policy, such disclosures must be made in good faith and information provided must also be substantially true/reliable.

The Policy is based on Central Bank of Nigeria's Code of Corporate Governance and Guidelines for Whistleblowing Circular Reference: FPR/DIR/CIR/GEN/01/004 circulated on the 16th of May 2014; the Nigerian Code of Corporate Governance 2018 released by Financial Reporting Council of Nigeria (FRC); and to reflect best practice.

Thank you

.....
CHIEF COMPLIANCE OFFICER

CONCURRENCE:

.....
CHIEF AUDIT EXECUTIVE

.....
CHIEF HUMAN RESOURCE OFFICER

.....
EXECUTIVE COMPLIANCE OFFICER

RESPONSIBILITY AND AUTHORITY OF UPDATING THE POLICY

It is the responsibility of the Bank's Executive Compliance Officer to regularly inform the Board about updates on whistle blowing.

The Board is required to implement updates in the Policy in accordance with industry standard and new trends in the global compliance function.

The Policy shall be subject to review every three (3) years or as required from time to time in line with changes in the regulatory environment and/or best practices. All suggestions for review and or amendments shall be forwarded to the Executive Compliance Officer for necessary action. The authority to approve the updates/amendments resides with the Board.

This Policy replaces the 2019 Policy on Whistleblowing and takes effect from September 2022.

This Policy is approved by:

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MANAGING DIRECTOR

.....

CHAIRMAN OF THE BOARD

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AMENDMENT SHEET

This amendment page provides the history of the policy.

S/N	EDITION	YEAR OF APPROVAL
1	FIRST	2014
2	SECOND	2017
3	THIRD	2019
4	FOURTH	2022

SECTION 1.0: INTRODUCTION

The prevalence of misconduct in organizations particularly banks and other financial institutions, in recent past, underscores the need to institute rigorous policies to allow employees and other stakeholders bring unethical and illegal practices to the fore to minimize the damage such misconduct can cause to different stakeholders.

Whistleblowing refers to the escalation of alleged misconduct and unethical practices by an employee who is directly or indirectly, permanently or temporarily employed by the bank.

A whistle blower is any person including employee, directors, depositors, creditors, service providers, consultants, and other stakeholders of an institution who voluntarily discloses or reports any form of unethical behavior, possible misconduct or abuse that has occurred, is ongoing, or is about to occur with specific concerns which are in the public interest, to appropriate authority. These behaviors include:

- Abuse of power, company assets and resources
- Bribery and corruption
- Willful concealment of information
- Violation of the Bank's policies and procedures, code of ethics as may be communicated periodically
- Violation of health and safety standards.
- Inappropriate dissemination of confidential information
- Threat to the Bank and stakeholders' interest such as fraudulent and discriminatory practices
- Theft

The objective of whistleblowing is to encourage all stakeholders to bring unethical conduct and illegal violations, perceived to occur or occurring, to the attention of appropriate authority for remediation.

SECTION 2.0: SCOPE OF THE POLICY

This policy and procedure is designed to enable employees and other relevant stakeholders of the Bank report acts of impropriety through dedicated channels which should not be based on mere speculation, rumors or gossip but on knowledge of verifiable facts or circumstances to indicate that the reportable misconduct has occurred or is likely to occur.

The reportable misconducts or concerns covered by this Policy are:

- All forms of financial malpractice, impropriety, or fraud

- Failure to comply with legal obligations or statutes
- Actions detrimental to health & safety or the environment
- Any form of criminal activity
- Improper conduct or unethical behavior
- Sexual or physical abuse
- Direct/indirect or veiled coercion to do/aid inappropriate activities
- Unprofessional conduct and acts that may tarnish the Bank's image
- Failure to comply with regulatory directives
- Other forms of corporate governance breaches
- Undisclosed insider related transactions
- Attempts to conceal any of these acts listed above etc.

This policy impacts all employees of the Sterling Bank Plc, irrespective of position, location, or function.

TYPE OF WHISTLEBLOWING

There are two types of whistle blowers namely:

1. **Internal Whistleblowers** - Employees who report incidents of misconduct involving direct reports, peer, supervisor/superior or top management staff in the Bank.
2. **External Whistleblowers** - Non-staff of the Bank such as customers, suppliers, service providers, shareholders, analysts, consultants, job applicants, and other members of the public.

SECTION 3.0: ROLES AND RESPONSIBILITIES

The under listed are the roles and responsibilities of key parties in the whistleblowing process:

S/N	Responsible Stakeholders	Responsibilities
1	Whistleblower	<p>Whistleblowers are expected to act in good faith and should refrain from making false accusations when reporting their concern(s).</p> <p>They should also provide further evidence at his/her disposal to aid investigation of the issues reported.</p>

S/N	Responsible Stakeholders	Responsibilities
2	Suspects/Accused	<p>Suspects have a duty to cooperate with investigators during the period of investigation including provision of relevant information, documents or other materials as may be required by the investigator.</p>
3	Chief Audit Executive/ Investigator	<p>The Chief Audit Executive shall review all reported concerns /cases and recommend appropriate actions to the MD/CEO; where issues affect Executive Management, such issues shall be reported to the Board. The Board or CEO shall take appropriate action to redress the situation within a reasonable time.</p> <p>The Investigator is expected to handle all matters professionally, confidentially, and promptly, He/ she shall be independent and unbiased in carrying out investigation.</p> <p>The Investigator has the responsibility of acknowledging all concern(s) reported and reporting on the progress of the investigation to the Whistleblower.</p> <p>The Investigator shall refrain from discussing or disclosing matters under investigation referred to him.</p> <p>The Chief Audit Executive shall provide the Chairman of the Board Audit Committee (BAC) with a summary of cases reported with results of investigation.</p>
4	Human Capital/ Chief Human Resource Officer	<p>Human Capital shall sensitize all staff on whistle blowing every month.</p> <p>Human Capital shall create awareness on the whistle blowing procedures during onboarding and inclusion programs for new hires.</p> <p>The Chief Human Resource Officer shall implement the report of investigations that relates to the Bank's</p>

S/N	Responsible Stakeholders	Responsibilities
		employees in line with the laid down disciplinary procedure as contained in the staff handbook.
5	Chief Compliance Officer	The Chief Compliance Officer shall ensure rendition of quarterly reports on compliance with the provisions of the whistleblowing guidelines along with corporate governance compliance status returns. These reports shall be forwarded to the Central Bank of Nigeria (CBN) and Nigerian Deposit Insurance Corporation (NDIC) no later than seven (7) days after the end of each quarter,
6	Group Head, Financial Performance Management	The Group Head, Financial Performance Management shall ensure a whistleblowing compliance status report is included in the Bank's audited financial statements.
7	Board Audit Committee	The Board Audit Committee (BAC), through the Company Secretary, shall make available to all committee members, quarterly reports submitted by the Chief Audit Executive/ Investigator on whistleblowing, and treat all whistleblowing concern(s) brought to the attention of the committee timely.

SECTION 4.0: WHISTLEBLOWING PROCEDURES

The Bank has endorsed the provisions set out below to ensure that no member of staff or stakeholder is at a disadvantage while raising legitimate concerns.

The procedure involves steps that should be taken by the whistle blower in reporting a misconduct, and steps required for the investigation of the reported misconduct.

4.1 The Bank's whistle blowing policy and procedure shall be made known to employees, directors, and other stakeholders such as contractors, shareholders, job applicants and the public through its official website.

4.2 A whistle blower shall disclose any information connected with the activities of the Bank which indicates any of the following:

- i. That an infraction has been committed.
- ii. That a person has failed to comply with banking laws, internal policies, and procedures etc.
- iii. That someone has concealed matters falling within (i) and (ii) above.

4.3 Reasons for whistleblowing:

- We have a right and duty to report
- Silence is not always golden
- Silence may imply that we condone misconduct
- Silence may imply that we are parties to the misconduct
- Failure to report may cast doubt on our integrity
- Swallowing the whistle leads to unchecked fraud and misconduct
- Above all, unreported fraud or gross misconduct may result in loss of jobs and other benefits, which adversely affects everyone

4.4 A whistle blower may raise concerns through any of the following options (this may be done either by declaration or in confidence/ anonymously);

Option1 — Internal Mechanism:

- Formal letter to the Managing Director/Chief Executive Officer (MD/CEO) or the Chief Audit Executive, Chief Compliance Officer, Chief Human Resources Officer, Sterling Bank Plc.
- The dedicated whistleblowing channels:
 - The Bank's Hotlines-
 - 0814351 6389(Chief Human Resource Officer)
 - 07012952707 (Chief Audit Executive)
 - 08022901601 (Chief Compliance Officer)
- Bank's email: whistleblowing@sterling.ng
- Bank's website: <https://sterling.ng/support/whistle/>

Options 2 - KPMG Ethics line;

- The following hotlines.
 - Toll-free numbers for calls from MTN numbers only on 07030000026; 07030000027
 - Toll-free numbers for calls from Airtel numbers only on 08088228888; 07080601222
 - Toll-free number for calls from 9Mobile numbers only-08099336366
 - Toll-free numbers for calls from Glo numbers only - 07058890140
 - KPMG's email: kpmgethicsline@ng.kpmg.com
 - KPMG's website <https://apps.ng.kpmg.com/ethics>

4.5 A whistleblower (internal or external) may choose to report directly to any of the following regulatory bodies that have oversight function on the activities of the Bank:

- Central Bank of Nigeria (CBN), email: anticorruptionunit@cbn.gov.ng
- Nigerian Deposit Insurance Corporation (NDIC), email: info@ndic.org.ng or helpdesk@ndic.org.ng

4.6 Reporting Format - The concern(s) from the whistleblower shall be presented in the following format:

- Background and history of the concerns with relevant dates
- Reasons why the whistle blower is particularly concerned about the situation and supporting evidence for the allegations, if available, would be helpful in the investigation

4.7 The Bank's response shall be presented in the following ways:

4.7.1 All whistleblowing reports shall be treated as "confidential"

4.7.2 Where appropriate, the matter raised may:

- Be investigated by Management, Internal audit or through the bank's disciplinary process.
- Be referred to the police
- Be referred to external auditors
- Form the subject of an independent inquiry

4.7.3 To ensure fairness and justice for those accused of misdeeds or possible malpractice, initial inquiries will be made to decide if an investigation is appropriate. The overriding principle of the Bank is the stakeholders' interest. Concerns or allegations, which fall within the scope of specific procedures, will be referred for consideration under those procedures (for example, operational misconduct or discrimination issues).

4.7.4 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

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4.7.6 Immediately acknowledging that the concern has been received by:

- Indicating how the matter will be handled
- Giving an estimated period for provision of a final response
- Stating whether any initial enquiry has been made
- Supplying the whistleblower with information on available support mechanisms
- Stating whether further investigations will take place and if not, with appropriate reasons.

4.7.7 The frequency of contact between officers considering the issues and the whistleblower will depend on the nature of matter(s) raised, potential difficulties involved, and clarity of information provided. If necessary, the Bank will seek further information from concerned parties.

4.7.8 The Bank will take necessary steps to minimize any difficulty which the whistleblower may experience as a result of raising the concern. For instance, where the whistle blower is required to give evidence in criminal or disciplinary proceedings, the Bank will arrange for the individual to receive advice/counselling about the procedure.

4.7.9 The Bank accepts that the whistle blower needs to be assured the matter shall be addressed accordingly thus, subject to legal constraints, the Bank shall send an automated response to the whistle blower that the reported case is being investigated.

4.7.10 The Bank shall ensure that appraisal process recognizes such contributions by staff and where necessary, letter of commendation or appropriate reward shall be given to deserving staff. Incentives, subject to EXCO approval, shall be provided to the whistleblower

4.8 Feedback to the Whistleblower:

4.8.1 The Chief Audit Executive shall communicate the whistleblower, as applicable, on the outcome of investigations conducted within the limits of confidentiality or legal restrictions. This feedback will only be considered for whistleblowers who provided communicating address at the point of blowing the whistle.

4.9 Rights of persons implicated:

4.9.1 Any person(s) implicated by reports of irregularities shall be notified in good time of the allegations made against them provided that this notification does

not impede the progress of procedure for establishing the circumstances of the case.

4.10. Penalties for those taking retaliatory actions:

4.10.1 Any form of retaliation undertaken by a staff member against any person for reporting an irregularity in good faith is prohibited and considered to be a breach of loyalty and professional ethics. In such a case, disciplinary measures will be taken against such staff.

4.10.2 Members of staff will be informed about measures taken by the Bank following discovery of acts of retaliation for reporting an incident. The information provided will not contain any data that may reveal the identity of the concerned persons

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4.11 Penalty for deliberate falsification of concerns

4.11.1 Where a false report is established to be non-intentional or non-malicious, the whistle-blower shall be cautioned.

4.11.2 Where a staff is the whistleblower of a falsified concern established to be intentional or malicious act, the following will be meted as punishment:

- i. **First Time Offender:** 4 weeks suspension without a warning letter.
- ii. **Subsequent Offender:** Termination of employment of the employee with a report to the CBN.

SECTION 5.0: PROTECTION OF THE WHISTLEBLOWER

5.1 This Policy is formulated to offer protection to whistleblower(s) who disclose concerns, provided the disclosure is made:

- i. In the reasonable belief that it is intended to show malpractice or impropriety.
- ii. To an appropriate authority or person

5.2 The Bank shall treat all disclosures resulting from whistleblowing in a confidential manner with the identity of the whistleblower kept confidential.

5.3 Stakeholders may disclose their name when filing reports to make their reports more credible. However, anonymous disclosures may be considered on discretionary basis considering the following factors:

- i. The gravity of the issue
- ii. Significance and credibility of the concern; and
- iii. Possibility of confirming the allegation

5.4 In making a disclosure through whistleblowing, the individual must exercise due care in reporting the concern. If, however, an individual makes malicious allegations, and particularly if he or she persists with making them, provisions of Section 4.11 of this Policy shall apply.

5.5 The Bank shall not subject a whistleblower to any detriment whatsoever, on the grounds that he or she has made a disclosure in accordance with the provisions of this Policy.

5.8 Where a whistleblower has been subjected to any detriment in contravention of the above, he or she may present a complaint to the CBN. This is without prejudice to the right of the whistleblower to take appropriate legal action.

5.9 An employee who has suffered any detriment by reason of disclosure made, pursuant to the provisions of this Policy, shall be entitled to compensation and/or reinstatement, provided that in the case of compensation, the employee's entitlement shall be computed as if he or she had attained the maximum age of retirement or had completed the maximum period of service in accordance with his condition of service. For other stakeholders, the whistle blower shall be adequately compensated. This is, however, at the discretion of Management.

5.10 For this Policy, the word "detriment" includes dismissal, termination, redundancy, undue influence, duress, withholding of benefits and/or entitlements and any other act that has negative impact on the whistleblower.

STAFF COMPLIANCE CERTIFICATION



I have read the Bank's Whistleblowing Policy & Procedure and would ensure strict adherence to the contents.

Name: _____

Branch/Dept./Unit: _____

Signature: _____

Date: _____

