
WHISTLEBLOWING POLICY 2021

NMB BANK LIMITED



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1. INTRODUCTION

1.1 General

The Whistleblowing Policy document of NMB Bank Ltd. is developed with the intent to *encourage, enable and protect* all staff of the bank to inform or raise any concerns within or related to the organization which may or has resulted in having negative impact to the organization. This primarily would include disclosing information related to any malpractice, unethical conduct or a perceived wrongdoing in the organization.

Members of staff are often the first to realize if there is anything wrong happening or about to happen within the Organization. However, they may not express their concerns as they feel that speaking up could result being disloyal to their colleagues, superiors or to the organization or it could have repercussions on his/her growth in the organization.

This Whistleblowing Policy intends to clearly lay down the process and affirm protection to staff for reporting irregularities in good faith, without having to fear that their action may have adverse consequences. The policy guides staff members that it is safe and acceptable to speak up and raise concerns in early stages rather than to wait for a proof.

This policy is developed to institute integrity, accountability and transparency as part of prudent Corporate Governance practices within the bank.

1.2 Basic Principles

The basic principles of the Bank's Whistleblowing Policy are as follows:

- **Intent:** The practice must be done in good faith and with good intention.
- **Process:** Staff reporting shall have the choice to follow structural hierarchy of the organization as mentioned in Section 3 or bypass the channel if felt/deemed necessary.
- **Protection:**
 - Staff reporting in good faith is protected and their identity shall be kept confidential as per Section 5.2.
 - He/she shall not, under any circumstances be subject to reprisals for Whistleblowing.
- **Validation:** The report/information shall be reviewed/verified by appropriate/independent authorities and if construed correct, appropriate proceedings shall be ensured.
- **Fair hearing:** In case the information is related to a person or a group of people, basic rights of any person/s shall be respected and allowed a fair chance to clarify/defend.
- **Cooperation:** Any members of staff indicted by whistleblower is required to cooperate in any official investigation, audit or similar request.
- **Obstruction:** No members of staff from lower to the highest level of the Bank should use their position to prevent other staff from exercising their rights or complying with their obligations as indicated in Section 2 below.

1.3 Scope of the policy

This policy is applicable to all NMB Bank staff members.

This policy is not meant for reporting personal grievances.

1.4 Definitions

Whistleblower: The person/staff who raises concern/information related to any matter detailed in Section 3.2 of this document.

Recipient: Person/staff receiving the concern/information from the whistleblower.

Information: Information from the whistleblower shall mean details of any concern or incident.

Confidentiality: All staff involved in any whistleblowing process need to maintain confidentiality related to anonymity of whistleblower as well as the concern or information shared appropriately.

Good faith: Means clear belief in the genuineness of the reported incident/information, i.e. the fact that the member of staff reasonably believes the transmitted information is true.

Retaliation: For the purpose of this policy 'retaliation' is defined as any action or set of action which is unjustly detrimental to the whistleblower because of his/her report, including, but not limited to, harassment, discrimination and acts of meanness, direct or indirect, that are recommended, threatened or taken against the whistleblower.

2. REPORTING OBLIGATIONS

Members of staff are encouraged and are required to report any suspected or presumed incidents of illegal, unethical, or prohibited behavior/activities within the Bank or of serious misconduct or infringement of the Bank's rules, policies or guidelines, or any action that is or could be harmful to the Bank.

3. REPORTING PROCEDURES

3.1 How to Raise a Concern

As a first step, staff should normally raise concerns with immediate supervisor/manager or their superior. This may however depend on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice.

3.2 Information Type/ Recipients:

The type of information being shared by the whistleblower could be primarily in the following areas:

- a. Financial concern - Cases of irregularities or any other illegal activity that is detrimental to the financial interests of all stakeholders.
- b. Conduct or Compliance - Events of serious misconduct or a serious infringement of the Staff Code of Conduct or the integrity and compliance/regulatory issues.
- c. HR related - Incidents of bullying, harassment and those concerning dignity at work.

For any type of information, a whistleblower can approach his/her immediate supervisor/Line Manager or Head of HR or any appropriate authority he/she is comfortable with including CEO or the Board. Selection of recipient of information is not restricted to any hierarchy or aforementioned order.

- In case of any conflict of interest or risk of reprisal or the intended recipient of the report is personally drawn in the incident to be reported or the authority initially alerted fails to take appropriate action, the member of staff may report the matter to the Chief Executive Officer.
- Any information or issue as deemed necessary must be appropriately recorded in the Executive Management Team meeting.
- If concern is against any of the Executive Management Team members, the information must be directly brought to the attention of CEO for investigation and action.
- In case any escalation is neglected by the Executive Management Team members, staff may, as a last resort, refer the matter to the Member of the Board.

Recipients of information and their responsibilities detailed in this document can be updated/amended as necessary by CEO or the Board.

3.3 Escalation of information

The whistleblower must responsibly choose the most appropriate recipient for reporting incidents/information.

The recipient of an information must either immediately take necessary action or escalate it in strictest confidence, the relevant information and documents to the competent authority informing the whistleblower accordingly.

4. REPORTING ARRANGEMENTS AND ANONYMITY

- Information/incidents can be reported by any means at the disposal of the whistleblower detailing the information as accurately as possible. Information should generally include:
 - Background and details – Subject, relevant dates, involvements/names etc.
 - Reason/ Reasonable grounds for whistleblowing.
 - Name of whistleblower and contact point if anonymity is not required.
- Whilst this policy also provisions anonymous whistleblowing, however in view of protection assured to the whistleblower vide this policy, staff are encouraged not to hesitate in disclosing their identity if reported concern demands.
- **Have Your Say portal**
Whistleblower can use the online platform “Have your say” available in HRMS (Human Resource Management System) for the purpose. However, the identity of whistleblower will not be anonymous when using this platform.

5. INVESTIGATION PROCESS

- **Immediate responsibility:** The recipient of information or complaint shall bear the responsibility to escalate or arrange to initiate investigation action immediately upon receiving the information.
- **Escalation:** Information, as deemed necessary, must be escalated to appropriate organizational hierarchy including CEO.
- **Investigation Team or committee** may be formed for the purpose as appropriate may be formed under CEO’s authority.
- **Responsibility for resolution:** Apart from the recipient, responsibility for the required resolution shall generally be of the concerned area/department’s senior most official whom the recipient has informed or the committee or as assigned by the CEO or the Board.
- **Timeline:** Immediate action on the information/complaint must be ensured. Likewise, it must be concluded at the earliest possible ensuring best possible resolution.
- **Recording:** Formal recording of the information or complaint or incident including the actions taken and conclusion must be ensured.

6. PROTECTIONS FOR THE WHISTLE BLOWER

6.1 Principles

Any staff member reporting any irregularity or concern in good faith and in compliance with the provisions of this policy, shall be protected against any acts of retaliation.

This policy prohibits any harassment or victimization including informal pressures to a whistleblower by any internal or external parties. If any activity of harassment or victimization is observed or reported, it shall be treated as a serious disciplinary offence in case of being by an internal party, such shall be dealt with under the disciplinary or appropriate action of the bank.

6.2 Protective measures/ Confidentiality

To protect the interest of the whistleblower, their identity shall be kept confidential, i.e., their name will not be revealed, unless the whistleblower personally authorizes the disclosure of identity or this is a statutory requirement, particularly if it is essential to ensure that the right of the persons implicated to be given a fair hearing is upheld. In such a case, the Bank shall notify the whistleblower before revealing their identity and for that whistleblower shall be provided with necessary advice and support from the bank.

6.3 Untrue Allegations

If Whistleblower makes an allegation in good faith and reasonably believes it to be true, but it is not established by the investigation, whistleblower's concern shall still be respected and shall not be taken against the whistleblower. That is, the whistleblower need not fear for any consequences. However, if whistleblower makes an allegation frivolously, maliciously or in personal interest which he/she knows it to be untrue, such person will not be protected by this policy and shall be subject to appropriate action including disciplinary.

6.4 Penalties for those taking retaliatory action

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 the loyalty and professional ethics requirements of the staff. In such a case disciplinary measures shall be taken.

7. INTERPRETING AUTHORITY

- The CEO will have authority to release any obstructions resulting of any ambiguity in interpretation of this policy and shall notify to the Board as appropriate.
- Authority for any amendments or revision to this policy shall remain with the Board.

8. REVIEW & RENEWAL

DOCUMENT CATEGORY: High Importance

Next Review Date: December 2022

9. REPEAL & SAVING

- a) Existing Whistleblowing Policy 2016 approved vide 327th Board meeting is here by repealed.
- b) If any provisions of this policy contradicts with the Law and Rules of the country or NRB Directives, circulars, guidelines etc. the latter shall supersede the provisions in this policy. Nonetheless, provisions more stringent than governing law, rules or Directives may be practiced.

END OF DOCUMENT