



**MEMORANDUM**

Gen. Cir. 01-027/2021

**TO :** ALL BRANCHES AND HEAD OFFICE UNITS

**THRU :** LIZETTE MARGARET MARY J. RACELA  
President and CEO

**FROM :** CHRISTINE C. RENTON  
Head – Human Resources and General Services Division

**CONCURRED BY :** ERNESTO O. OLAVARIO  
Chairman – OPSCOM

**SUBJECT :** AMENDMENTS TO WHISTLEBLOWING POLICY

**DATE :** APRIL 27, 2021

The Board of Directors has approved the attached Addenda and Amendments to the Whistleblowing Policy with BOD Resolution No. 034-2021.

The addenda are in the following Sections:

- III. Scope
- V. Policy Principles
- VII. Protection of Whistleblower and Witnesses
- VIII. Anonymity and Confidentiality

Amendments are on the following Sections:

- IV. Definition of Terms
- VI. Reporting

For your guidance.

## **A . Addenda to Whistle Blowing Policy**

### **III. SCOPE**

This policy shall apply to illegal and irregular activities, including acts or omissions defined under applicable laws and rules and regulations committed against the Bank by the following:

- a. Associates;
- b. Members of the Board of Directors; or
- c. Third Parties

The UCPBS whistleblowing policy is aligned to the UCPB Group Policy.

### **V. POLICY PRINCIPLES**

The following principles shall be observed in the implementation of this policy:

1. The Bank shall ensure that whistleblowers can raise their concerns about any wrongdoing or malpractice within the Group without fear of victimization, subsequent discrimination, disadvantage or dismissal.
2. The Bank shall encourage responsible reporting of acts or omissions that constitute illegal activity.
3. The Bank shall exert all efforts to protect whistleblowers and witnesses who report acts or omissions that constitute an illegal activity;
4. Bank associates involved in handling whistleblowing cases shall maintain the confidentiality and non-disclosure of:
  - a. identities of all bank associates or subject matter of the protected disclosure;
  - b. documents and proceedings undertaken relative to the case;
  - c. material information, including identity of the whistleblower or witness

Any disclosure shall be made only when necessary for fact-finding investigation or in the appropriate judicial/quasi-judicial/administrative proceedings.

5. Associates, members of the Board of Directors or Third Parties have a duty to report any suspected illegal activity. No approvals, prior clearances, proper channels or authorizations are required when reporting a suspected illegal activity

### **VII. PROTECTION OF WHISTBLOWER AND WITNESSES**

UCPBS is committed to protecting the wellbeing of associates who report actual or suspected wrongdoing against the Bank. Whistleblowers/witnesses may be entitled to protection under this policy, subject to certain conditions.

#### **A. Requisites**

1. The Whistleblower or witness is an associate or a member of the Board of Directors. The Bank, upon recommendation and approval of the investigating body, shall refer the whistleblower or witness to the proper government agency for possible coverage under the Witness Protection Program;

2. The disclosure is made voluntarily, in writing and under oath.
3. The whistleblower or witness is not the guiltiest in the Illegal Activity subject of disclosure and the issue raised is not yet the subject of any investigation or court proceedings.
4. The report/disclosure is accurate and based on the whistleblower's personal knowledge and the matters disclosed are related to an illegal activity or any conduct in violation of applicable laws as defined in this policy.
5. The information given by the whistleblower may be corroborated by documentary and/or testimonial evidence; and is substantial in gathering evidence to support a cause of action or defense until the conclusion of the case.
6. Execution of an agreement between USB and the whistleblower or witness defining the nature of the disclosure as well as the terms and conditions of the protection to be extended to the whistleblower or witness.

**B. Commitment of the Whistleblower and/or Witness**

1. The whistleblower/witness shall provide information based on his/her personal knowledge that an illegal activity has been committed or is about to be committed.
2. He/she shall make himself/herself available during investigation and appear in proceedings conducted by both internal and external agencies.
3. They shall maintain confidentiality of all matters pertaining to the investigation or proceedings in connection with the disclosure/report.

**C. Protection and Security Against Retaliation**

1. The whistleblower, the witnesses and any other person who assist in the investigation shall not suffer harassment, retaliation or adverse employment consequences arising from his/her report of the actual or suspected wrongdoing. Any other associate or person who retaliates against the whistleblower shall be subjected to disciplinary action, which may include termination.
2. Whistleblowers/witnesses or any other person who assist in the investigation who are being subjected to retaliation, discrimination, isolation and ridicule within his/her unit, whether direct or indirect, verbal or written, for reasons such as, but not limited to:
  - i. For disclosing/reporting a purported illegal activity
  - ii. For refusing to obey and illegal order
  - iii. For participating in an investigation of a suspected illegal activity

shall be accorded with the opportunity to transfer to another department, branch or unit and report the same through a Retaliation Complaint to the Recipient of the Report. A separate investigation and evaluation shall be conducted and if after due investigation, the acts of retaliation are proven to be committed against the whistleblower or witness, the person named in the retaliation complaint shall be dealt with in accordance with UCPB's Code of Conduct.

3. A retaliation complaint shall not, in any way, affect the investigation of a prior allegation of a purported illegal activity.

4. All activities and pertinent details concerning the report, whistleblower/witness, and any other person who assists in the investigation, shall be held in strict confidence.
5. Whistleblowers/witnesses shall report direct and imminent threat/s against them or members of their immediate family to the recipient of the report, who shall coordinate with the appropriate bank unit that can carry out measures to protect the whistleblowers, witnesses and their families. The Bank shall also coordinate with local or national enforcement agencies, if necessary.

#### **D. Limitations and Other Conditions**

1. A Third Party shall not be qualified to avail of the protection under this policy.
2. The whistleblower or the witness shall not be immune from the consequence of his/her participation, if any, in the reported wrongdoing, unless otherwise stated in the agreement between UCPB and the whistleblower or the witness.

#### **E. Malicious and False Reporting**

1. Allegations made in good faith and reasonably believed to be true by the whistleblower or witness, but is not confirmed by the investigation, shall not be considered malicious. However, any willful act of reporting a false, frivolous, malicious and misleading allegation of an illegal activity, an appropriate action that could include disciplinary action, may be taken in accordance with UCPB Group of Conduct, without prejudice to criminal and civil liabilities that may arise therefrom.

### **B . Amendments to Whistle Blowing Policy**

<b>From</b>	<b>To</b>
<p><b>Under III. Whistleblowing</b></p> <p><b>A. Definition</b></p> <p><b>Whistleblowing</b> – the disclosure of actual or suspected wrongdoing such as dishonesty, breach of trust, misrepresentation, concealment, illegal activities and such other acts analogous thereto.</p> <p><b>Whistleblower</b> – any associate who has personal knowledge or access to any data, information, fact or event constituting an illegal activity and who reports any of the above-mentioned wrongdoings.</p>	<p><b>Under IV. DEFINITION OF TERMS</b></p> <p><b>A. Definition</b></p> <p><b>Whistleblowing</b> – the disclosure of actual or suspected wrongdoing such as dishonesty, breach of trust, misrepresentation, concealment, illegal activities and such other acts analogous thereto.</p> <p><b>Whistleblower</b> – any associate who has personal knowledge or access to any data, information, fact or event constituting an illegal activity and who reports any of the above-mentioned wrongdoings.</p> <p><b>Witness</b> – any associate who provides admissible information or evidence voluntarily and is not the subject of an inquiry. If he/she is</p>

	<p>the subject of an inquiry, he can still be a witness upon request of the recipient of the report, provided that such person is not the guiltiest.</p>
<p><b>Under III. Whistleblowing</b></p> <p><b>What to Report</b></p> <p>The whistleblower may report actual or suspected wrongdoing in USB such as dishonesty, breach of trust, misrepresentation, concealment, illegal activities, and such other acts analogous thereto.</p> <p><b>Handling of Whistleblowing Report</b></p> <p>1. The whistleblower may report (via email, phone call or letter), any actual or suspected wrongdoing against the Bank to any of the following ('Recipient of the Report'):</p> <ul style="list-style-type: none"> <li>• Division Head concerned (in division where the whistleblower belongs)</li> <li>• Human Resources Division (HRD) Head</li> <li>• President</li> </ul>	<p><b>Under VI. Reporting</b></p> <p><b>What to Report</b></p> <p>The whistleblower may report actual or suspected wrongdoing in UCPBS such as dishonesty, breach of trust, misrepresentation, concealment, illegal activities, and such other acts analogous thereto, including irregular activities such as but not limited to: gambling, loans and drug-related issues.</p> <p><b>Handling of Whistleblowing Report</b></p> <p>1. The whistleblower may report via email, phone call or letter, any actual or suspected or consummated wrongdoing against the Bank. Such report may be addressed to any of the following:</p> <ul style="list-style-type: none"> <li>• Board of Directors</li> <li>• President</li> <li>• Division Head concerned (head of the division the whistleblower is a member of)</li> <li>• Human Resources Division (HRD) Head</li> <li>• Internal Audit Division (IAD) Head</li> <li>• Legal Services Division (LSD) Head</li> <li>• Compliance Officer</li> <li>• Security Officer</li> <li>• Customer Assistance Management Center</li> </ul> <p><b>Procedures</b></p> <p>1. The HRD Head, together with Division Heads concerned/President (as necessary) shall coordinate with Internal Audit Division(IAD), which shall endorse it to the Committee of Employee Discipline (CED), if necessary, for further investigation.</p> <p>Once the report is with CED,its guidelines and policies shall be followed.</p>

	<ol style="list-style-type: none"> <li>2. The HRD Head must communicate to the whistleblower and concerned parties, the following: <ul style="list-style-type: none"> <li>• Status of the complaint and manner by which the concern is being handled</li> <li>• Final decision and action to be taken at the end of the investigation</li> </ul> </li> <li>3. A timeframe of thirty(30) to forty-five(45) banking days is provided to come up with a final decision on the report by concerned parties (i.e. President/HRD Head, Division Heads concerned, or CED).</li> <li>4. The President/HRD Head as well as Division Heads concerned, may appoint an investigating body independent of IAD/CED,if deemed necessary.</li> <li>5. Everyone involved in handling the whistleblowing report shall be responsible in maintaining strict confidentiality of all its activities and pertinent details. Any breach of confidentiality shall be handled based on the Information Security Management System (ISMS).</li> <li>6. Any disciplinary action to be taken as a result of the investigation shall be handled based on the Bank's Code of Conduct.</li> <li>7. For irregular activities pertaining to gambling, drugs or loan-related issues, the following procedures shall be applied: <ol style="list-style-type: none"> <li>a. Associates that are cited as habitual gamblers or those who participate in gambling activities after work hours, affecting the bank's reputation or put the bank at risk for potential loss, shall be reported to their immediate supervisors.</li> <li>b. Associates cited due to outstanding loan balances may be subjected for verification in CMAP/NFIS.</li> <li>c. The immediate supervisor shall conduct a coaching session with the associate involved. The immediate supervisor shall submit the results through a duly accomplished coaching</li> </ol> </li> </ol>
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	<p>form, to the Division Head as soon as possible but no later than five (5) calendar days.</p> <p>d. The Division Head shall determine if the issue can be resolved within his/her level and conduct an investigation and impose sanctions in accordance with UCPB Group Code of Conduct, if necessary.</p> <p>e. As a preventive measure, the division head may opt to reassign the associate from sensitive positions, specifically, those that involve cash handling and the like. The Division Head shall issue a written notice to the said associate and inform the HRD of the reassignment for proper documentation/201 filing.</p> <p>f. Associates who are allegedly involved in drug-related issues shall be dealt with in accordance to the provisions of the Bank's Drug-free Workplace Policy and may be subjected to drug-testing and other related procedures.</p> <p>g. Withdrawal or retraction of reports/complaints at any point after it has been received by the recipient of the report, shall not prevent the latter from proceeding with the investigation and prosecution, if it is deemed necessary.</p> <p><b>Contents of the Report/Disclosure</b></p> <p>The whistleblower shall specify in his/her report/disclosure exactly how the offense was committed; the persons involved; the actual or probable damage or losses; and more importantly, the particular law, policy or rule violated as well as pertinent documents, if any. The whistleblower shall expressly and unequivocally state in the report his/her willingness to make a disclosure and his/her intention to avail of the protection under this policy.</p> <p><b>Period to Report</b></p> <p>A whistleblower may report an illegal activity within the prescriptive period under applicable laws.</p> <p><b>Third Party Reports</b></p>
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	<p>Reports or complaints on an illegal activity made by a third party against members of the Board of Directors or associates of the Bank shall be referred to any of the designated recipient of the report for appropriate investigation and action. The report however, must be based on personal knowledge and that the allegations are verifiable. In addition, complaints shall not be entertained unless supported by documentary or direct evidence.</p>
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