



**CTBC BANK**

STANDARD POLICIES AND PROCEDURES

**Subject: Whistle Blowing Policy**

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Information Security Level: Internal

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**CTBC Bank. Corp (Canada)**

**Whistle Blowing Policy**

**V. 2.0**



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**I. Objective**

CTBC Bank is committed to maintain the highest standards of integrity and ethical behavior in the conduct of its business. The purpose of Whistle Blowing policy is to encourage CTBC Bank Corp. (Canada) employees (hereinafter referred to as CTBC employee) to report violations that occurred and to protect the person(s) who report it (Whistle Blower) from the threat of any party. This is done by:

- a. Creating a conducive environment to encourage employees to report all things that can cause financial and non-financial losses including that could damage the Bank's image;
- b. Creating a work environment that is discipline in implementing Bank's policies and procedures, code of conduct and other related ethical;
- c. Creating a mechanism for CTBC employee to be able to submit a complaint confidentially;
- d. As an important element in detecting corruption, illegal acts or misconduct as well as necessary materials in achieving good corporate governance and risk management.

**II. Scope**

This is a policy of CTBC Bank Corp. (Canada) to comply with the Bank's Anti-Fraud Strategy Policy and all applicable legal and regulatory requirements in the jurisdictions in which it operates, including those related to operations, reporting and disclosure.

Each employee, officer, volunteer, contractor including executives, Director of CTBC Bank Corp. (Canada) is expected to report any known or suspected violation of the Bank's policies or any other applicable laws or regulations, whether accidental or deliberate.

In this policy, type of Complaints can be reported is limited to:

- 1) Fraud



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- 2) Bribery;
- 3) Gratification;
- 4) Conflict of interest;
- 5) Violation of law or regulation (including theft, use of violence against employees or leaders, extortion, harassment, and other criminal acts);
- 6) Actions that could cause financial or non-financial loss to Bank or detrimental to the interest of the Bank, the Bank's reputation or credibility.
- 7) Violation of Policy and Standard Operating Procedures.

**III. Definition**

In this policy is intended to:

- a. **Whistle Blowing** is an act done by a person or employees to divulge fraud committed by either Bank or superior to others.
- b. **Whistle Blower** are Customers, vendors, third party agencies, employees, and other parties to report the events relating to acts of fraud, crime, misuse of authority, receive payments, violation of the provision of Bank and other matters involving the employees Bank and/or parties who have a relationship with Bank;
- c. **Fraud** means a deviating act or a purposeful neglect undertaken in order to deceive, cheat or manipulate Bank, Customer or another party, that occurs inside the Bank and/or using Bank's facility so as to cause the Bank, Customer or another party to suffer a loss and/or to cause the fraudster gain a financial benefit , both directly or indirectly;
- d. **Bribery** is receiving something or promise which intended for the recipient to do something or not do something in his/her duties, as opposed to the authority or obligations related to public interest.
- e. **Gratification** is the giving of money, goods, rebate (discount), commissions, loan with no interest; travel tickets, lodging facility; travel, free medical treatment and other facilities.
- f. **Conflict of Interest** is a situation when a person in a position that requires trust has

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a professional and personal interests intersect. Intersection of these interests may be difficult for person to carry out their duties.

- g. **Whistle Blowing Working Group** is a group determined to focus on specific hands-on whistleblowing reports' investigations and discussions, directly influence the outcome of investigation.
- h. **Investigation** is an activity to find a evidence related to the offense committed by Employee that have been reported through the media provided by the Bank;
- i. **Employees** are people who work in the company or get a salary/honorarium from Company.
- j. **Designated officer** is an appointed employee to hold one of the positions in the organization that implement violation reporting system such as violation report recipient officer, report investigation officer. Appointment of the officers shall be stated in the letter of appointment signed by CEO and President.

#### *IV. Whistle Blowing Management*

**Human Resources Department** is responsible of Whistle Blowing Management, it has to fulfill the following duties:

- a. To prepare a procedure related to handling of whistle blowing in detail.
- b. To set up channels for whistle blowing submission.
- c. To manage every whistle blowing complaint.
- d. To monitor whistle blowing investigation; and
- e. To inform Whistle Blowing Working Group with the final result of whistle blowing handling. The existence of designated Department should be published in writing and/or electronically.



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**4.1 Whistle Blowing Working Group**

- a. To conduct preliminary analysis and investigation upon every Whistle Blowing report received by Human Resources Department, a Whistle Blowing Working Group is established which consist of:
  - 1) Human Resources Department
  - 2) Internal Audit or other independent third party based on instructions from CEO and President
  - 3) AML & Compliance Department
  - 4) Risk Management Department
- b. Members of the Working Group are the respective heads of the Department or designated staff one level below the head of Department that appointed by the head of Department.
- c. Responsibilities of the Working Group are as follow:
  - 1) Conduct preliminary investigations to ensure that the reports received from the Human Resources Department shows strong enough/ valid indications of violation and should be submitted to the CEO and President to decide further action.
  - 2) Collect the necessary information for consideration of CEO and President.
  - 3) Provide initial recommendations of action needed.
  - 4) Maintaining the confidentiality of the Whistle Blowing reports received.

**4.2 Delivery of Whistle Blowing**

- a. Whistle blowing can be done either by CTBC employee or external parties and must be based on the belief that what is reported represent the facts;
- b. Whistle Blowing can be reported through these following channels:

Phone/Hotline: 1-604-683-3882 ext. 6854

Email: [whistleblowing@ctcbank.ca](mailto:whistleblowing@ctcbank.ca)

Mail Address: 1518 W Broadway, Vancouver, BC V6J 5K9



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- c. Delivery of whistle blowing should at least contain these following items:
  - 1) Name of informant
  - 2) Phone number or email as a means of contact;
  - 3) Name of suspect along with his/her unit/dept.;
  - 4) Place and time of incident;
  - 5) Description of the violation;
  - 6) Supporting documents and/or other evidences (if any).

**4.3 Reception of Whistle Blowing**

- a. Whistle blowing is received by Human Resources Department for then be delivered to Whistle Blowing Working Group, after ensuring that the reports received meet the provisions of paragraph 4.2.c.;
- b. Bank accepts every Whistle Blowing, either verbally delivered or in writing;
- c. Bank explains Whistle Blowing policy and procedure to the informant during the delivery of Whistle Blowing;
- d. If Whistle Blowing is submitted in writing, Bank should issue a receipt.

**4.4 Handling of Whistle Blowing**

- a. Whistle Blowing Working Group shall evaluate the incoming Whistle Blowing Report and ensuring that the report meets the provisions of paragraph 4.2.c.
- b. Whistle Blowing Working Group shall verify whether the complaint received pertains to the types of complaints that may be accepted under the Scope of this Policy.
- c. Once a Whistle Blowing Report is received unless there is an immediate risk of harm, the complaint will be reviewed within 5 working days to determine if the evidence provided is sufficient to proceed investigation. In all cases the Whistle Blower shall be notified that the receipt and handling result of complaint in writing but may not be notified regarding the handling result if the handling result includes confidential information pertaining to another individual.

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- d. If the evaluation result shows that the Whistle Blowing is not true and there is no supporting evidence to be found, the Whistle Blowing will not be processed further.
- e. If the evaluation result shows strong enough or valid indications of violation, the Whistle Blowing will then deliver to CEO/Board for approval of further investigation.

**4.5 Investigation Procedure and Handling of Investigation Result**

Whistle blowing investigation is conducted by Internal Audit or other independent third party based on instructions from CEO and President to consider the information obtained from related units, in accordance with applicable audit provision.

- a. Under certain conditions, Complaints will be resolved by agreement without the need for an investigation. If action needs to be done, then it can be implemented before other investigations completed;
- b. If the alleged perpetrator is a director, or a managerial officer of an equivalent level equal or higher than Vice President, the investigation report shall be reviewed by Conduct Review Committee.
- c. If the investigation result shows a breach of discipline done by an employee, the follow-up refers to Bank's applicable internal provisions.
- d. If the investigation result shows there is evidence of violation by employee that leads to criminal act, the case should then be handed over to the law enforcement and processed accordingly.
- e. The result of Whistle Blowing handling and condition improvement will be reported by Whistle Blowing Working Group. The Bank shall report or file the critical incident, or material violation discovered in the investigation with relevant authorities.

**4.6 Avoidance of Conflicts of Interest**

Members of Whistle Blowing Working Group or Board shall rescue themselves from the establishment, investigation, discussion and determination of the result of the Whistle Blowing case, under any of the following circumstances:

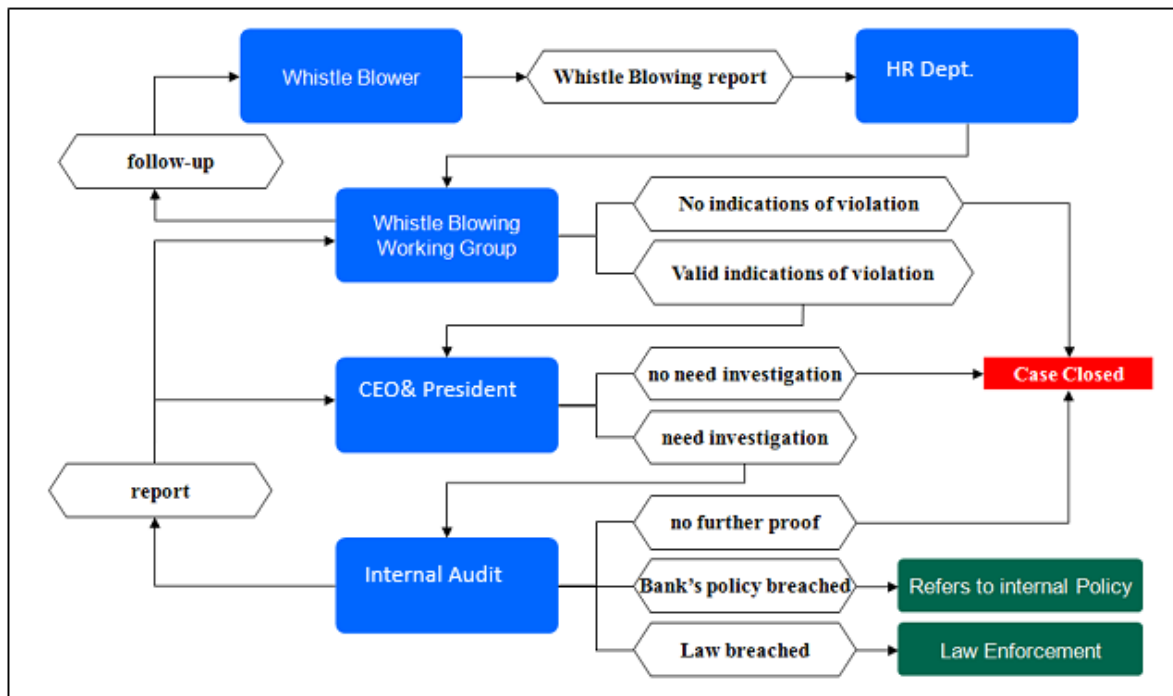
- 1) They are the accused target persons.
- 2) The Whistle Blower/accused or relevant personnel complicit in the case is their



spouse, second-degree relative or family member living together.

3) Other circumstances in which it is deemed necessary to make such recusal

*V. Flow Chart of Whistle Blowing Management Mechanism.*



Implementation of the above policy is not limited to the seriousness of the Complaint, Complaint credibility and the extent to which reporting can be verified by existing sources.

For more details, please refer to Whistle Blowing Procedure prepared by Human Resources Department.



## *VI. Protection for Whistle Blowers*

### **6.1 Good Faith**

Any employees and external parties who report an irregularity in good faith and in compliance with the provisions of this policy, shall be protected in accordance with the Bank's prevailing rules and regulations.

“Good faith” can be taken as mean of unequivocal belief in the veracity of the reported incidents, i.e. the fact that staff reasonably believes the transmitted information to be true. A staff who makes a report in bad faith, particularly if it is based knowingly on false or misleading information, shall be subject to disciplinary measures in accordance with the Bank's prevailing rules and regulations.

### **6.2 Confidentiality**

- a. The Bank will protect the identity of the Whistle Blower. Persons who accept, investigate or engage in the handling of the complaint shall keep confidential the Whistle Blower's identity and the content of the complaint, unless the Whistle Blower discloses the same on his/her part.
- b. In case of any violation of the provision set forth in the Section 6.2.a, the Committee may be terminate their engagement in the investigation.
- c. Whistle Blowing reports and the Whistle Blower identity could be communicated to the other party when required by the authorities or legislation.

### **6.3 Prohibition of Adverse Treatment**

- a. The Bank shall not sever or terminate the employment with, dismiss, demote, cut the salary of, terminate the contract of the hire of work with or the engagement with, damage the legal, contractual or customary rights and interests of or adversely treat any employee who reports a complaint under the Rules or assists others with a complaint. Notwithstanding the foregoing, the Bank may give the Whistle Blower any treatment



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that is non-vindictive (including severance, position transfer or termination of contract of hire of work, engagement or employment agreement) and due to reorganization, consolidation or closure in response to business or operational needs, and may meter out punishment pursuant to relevant regulations to the Whistle Blower if it verifies and proves any illegality or impropriety of the Whistle Blower.

- b. The Bank may impose punishment on persons who reports the complaint with the knowledge that it is not true or produces fraudulent evidence in the report, depending on the seriousness of such acts.
- c. The accused target persons or relevant persons involved must not retaliate or threat against Whistle Blowers or members in the Whistle Blowing Working Group so to intervene the process and result of investigation.

## **VII. Reminder for Whistle Blower**

### **7.1 Awards to Whistle Blowers**

In order to encourage all employees to be involved in the Whistle Blowing Policy implementation and report violations such as fraud, bribery, corruption, or other types of violations that need to be reported as described in Chapter II of this policy, awards will be given to whistle-blowers based on management decision that will be regulated apart from this policy.

## **VIII. Policy Publication**

### **8.1 Internal**

Employees can access this policy through H: Bank Policy/Risk Management/Whistle Blowing Policy folder.

### **8.2 External**

Information regarding this policy is accessible to anyone through Bank CTBC

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Canada's website.

### *IX. Retention of Documents*

All written documents or electronic files containing the acceptance, investigation, investigation result and re-examination result of any complaint reported shall be preserved for the following periods from the day of completion of the investigation, re-examination or improvement:

- 1) If the case is major contingency or illegality: 10 years
- 2) Other cases: 5 years

In case of any litigation relating to the complaint occurs prior to the expiration of such preservation periods, the Bank shall preserve the relevant information for another respective preservation period after the end of such litigation.

### *X. Employee Training and Education*

Providing trainings and education at all levels on the effective implementation of whistle blowing mechanism will help to enhance employees' awareness of reporting and develop supportive and open culture. The Bank shall hold regular bank-wide training of the Whistle Blowing policy including protection for Whistle Blowers and reporting procedure for its personnel.

### *XI. Annual Review and Reporting*

Each quarter, Human Resources Department shall provide a report to Working Group, including to Internal Audit which will submit the report to Audit Committee. The report contains at least (i). The number of Complaints received; (ii). The number of investigations commenced in response to Whistle Blowing Complaints; (iii). The number of wrongdoings discovered, and (iv). All disciplinary actions taken in response to matters discovered through Whistle Blowing disclosure.

This policy will be reviewed annually after consultation with Management, taking into



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account the effectiveness of the policy in promoting proper disclosure, but with a view to minimizing the opportunities to cause improper investigations.



**Appendix**

**I. Whistle Blowing Report Form**

**Whistle Blowing Report Form**

Your name (*optional – you may submit your complaint anonymously*):

\_\_\_\_\_

Department (*optional*):

\_\_\_\_\_

Supervisor (*optional*):

\_\_\_\_\_

Contact Information

Telephone (*optional*):

\_\_\_\_\_

E-mail : \_\_\_\_\_

CTBC Bank Corp. (Canada) will treat all reports made under this policy as confidential as much as is possible to be consistent with conducting a full and fair investigation. Even if you disclose your identity through this report we will seek to keep it confidential. Once a formal investigation is launched your identity will be disclosed to the other individual(s) only to the extent it is necessary to conduct a thorough and fair investigation.

Describe Reportable Activity:

\_\_\_\_\_

\_\_\_\_\_

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(If you require more space please indicate that you have attached additional information and attach it to this complaint)

Date you became aware of Reportable Activity: \_\_\_\_\_, 20\_\_

Reportable Activity is:  Ongoing  Completed  Unclear whether ongoing or completed

Region/Operation/Department suspected of Reportable Activity:

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Individual(s) suspected of Reportable Activity:

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How did you become aware of the Reportable Activity?

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Describe steps, if any, you took prior to completing this Report (e.g., informed supervisor)

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