

Policy on Disclosure of Sensitive/Confidential Matters to Management

Introduction

BDO believes that the key to long-term sustainability and success largely depends on having a good name and solid reputation in the market place. To achieve **this**, the Bank is committed to the highest standards of ethical values, integrity, honesty, accountability and transparency in the conduct of its business.

Under BSP Circular 749, the Bank employees should be given the opportunity to communicate, with protection from reprisal, legitimate concerns about illegal, unethical or questionable practices or otherwise known as “whistle blowing”.

Scope of the Policy

The policy covers the tipping off of any incident, situation, circumstance or problem involving fraud and/or violation of policies for further investigation which may result to or resulted in monetary loss and/or negative impact to the image of the Bank including legitimate concerns about illegal, unethical or questionable Related Party Transactions (RPTs).

Obligation to Report

Any person who has knowledge of, or has observed a reportable concern, is required to file a report of such act or event to the designated/appropriate authority.

Reporting Process

Reporting may be done thru any available means such as but not limited to SMS text (e.g. BDO Watch), letter, email or phone call directly to the Office of the President (OP) or the appropriate Head of the Unit concerned. For concerns directly involving the President and the other Executive Directors, the report should be addressed to the Board of Directors thru the Office of the Chairperson. For RPT-related concerns, the report should be addressed to the Chairman, Related Party Transactions Committee

Handling of Reported Cases

To facilitate the investigation process and urgent administrative action if necessary, the report must contain the nature of the concern, relevant details of transactions (type, amount/s and date/s), person/s involved and supporting documents, if any including an explanation on why it is a reportable concern. A signed confidential report is encouraged as opposed to an anonymous report because of the need to clarify the contents of the disclosure or request for additional information that may be required before or during the investigation. Pro-forma report forms will be made available on the Bank’s intranet site to be used in submitting a report.

Although proving the truth of the report beyond reasonable doubt is not expected, the person who makes the report should at least demonstrate that he/she has reasonable grounds for concern based on verifiable information, is doing it in good faith, and is ready to substantiate his/her views when requested. In making a report, a person must exercise due care to ensure the accuracy of information.

All reports shall be evaluated initially by the OP or appropriate Head for disposition and if needed, endorse to concerned Unit for further investigation based on existing guidelines for disposition at Committee level.

Protecting the Whistle Blower

Confidentiality

All reports will be treated with utmost care and confidentiality. The Bank will make every effort to protect the identity of the whistle blower from disclosure to any third party, unless compelled by law, during the conduct of legal proceedings. The Bank expects the same level of confidentiality from the whistle blower.

Retaliation and Harassment

The Bank commits to protect those who report in good faith from retaliation, harassment and even informal pressures. It will take the necessary and appropriate action to do so in enforcing this policy.

If the report is done in good faith but is not confirmed by subsequent investigation, no action will be taken against the whistle blower. However, if the report is found to be done maliciously and intentionally, for personal gain or bias, or is knowingly based on false or misleading information, the whistle blower loses his protection and the Bank may decide to impose a disciplinary action against the whistle blower.

Policy Oversight and Ownership

The Compliance Unit of the Bank is responsible for overseeing the implementation of this policy and compliance across the BDO Unibank Group. The Head of the Cases Review Committee Secretariat will submit a monthly report to the Chief Compliance Officer, Cases Review Committee and the Audit Committee covering the number of reports received, actions taken and its latest status. The Audit Committee, at its discretion, may periodically report the whistle blower cases to the Board of Directors.

Approval and Disclosure

The Board of Directors has the authority to approve this policy. It should be disseminated to all Directors, officers and staff for their information and proper guidance. It should be posted in the Bank's website and intranet to be accessible to all employees. It should form part of the HR and compliance policies of the Bank.