



UCPB LEASING AND FINANCE CORPORATION WHISTLEBLOWING POLICY

I. POLICY STATEMENT

As a financial service provider, UCPB Leasing and Finance Corporation (ULFC) is engaged in a business vested with public trust. It is committed to the highest standards of integrity in the conduct of its business.

The whistleblowing policy is one of the policies that protects the stakeholders of the company, and contributes to maintaining the credible reputation of company in the financial industry. The policy encourages and enables the ULFC Associates to report actual or suspected wrongdoing against ULFC in good faith and in an environment free from retaliation. This allows the Board of Directors and Senior Management to manage risks and cultural issues within ULFC. Likewise, the policy defines procedures for attending to reports.

II. DEFINITION OF TERMS

The terms used in this policy shall be construed to mean as follows:

Applicable Laws - refers to such laws as the: Anti Money Laundering Act of 2001 (R.A. No. 9160 as amended by R.A. No. 9194); General Banking Law of 2000 (R.A. No. 8791); Code of Conduct and Ethical Standards for Public Officials and Associates (R.A. No. 6713); Anti-Graft and Corrupt Practices Act (R.A. No. 3019); Plunder Law (R.A. No. 7080); Government Procurement Reform Act (R.A. No. 9184); Revised Penal Code (Act No. 3815, as amended); Securities Regulation Code (RA 8799); and other similar laws, including any amendments thereto, and their implementing rules and regulations.

Associates – include regular and probationary associates of the ULFC, as well as officers, unless otherwise specified.

Board of Directors - refers to members of the Board of Directors of ULFC;

Credit Card Issues – a matter or dispute relating to a person's fraudulent, inappropriate or dishonest handling of the associates' credit card which causes or could cause reputation risk or potential loss to the bank

Drug-related Issues – a matter or dispute relating to dangerous drugs as defined under Republic Act No. 9165 or the Comprehensive Dangerous Drug Act of 2002; and other applicable laws.

Associates - includes regular and probationary associates of ULFC, as well as officers, unless otherwise specified.

Illegal Activity - refers to any act or omission, involving unethical/unlawful behavior, violations of the laws of the Philippines, especially those under the Anti-Graft and Corrupt Practices Act, the General Banking Law, the Anti-Money Laundering Act, the Law on Secrecy of Bank Deposits and other banking laws, rules and regulations of the Land Bank of the Philippines (LBP) Group, including operating memoranda or implementing regulations, issued by duly constituted superiors, unauthorized deviations from policies, acts contrary to the norms of good conduct generally required to be observed by those in the banking/financing industry, violations of the LBP Group Code of Conduct and those analogous thereto,

Illegal Order - any directive to violate or assist in violating ULFC/LBP rules and regulations, policies and other applicable laws or any order to work or cause others to work in conditions outside of their line of duty that may unjustly affect the LBP Group, its associates, clients or other third parties.

Interference - the direct or indirect use of one's authority to interfere or obstruct officiously and unwarrantedly an individual's right to make a Disclosure as provided for in this policy.

Irregular Activities – fraudulent, inappropriate or dishonest deeds or actions pertaining to gambling, credit card, loans and drug-related issues and the like, which causes or could cause reputation risk or potential loss to ULFC.

Loan-related issues – a matter or dispute relating to one's fraudulent, inappropriate or dishonest loan activities which causes or could cause reputation risk or potential loss to ULFC.

Policy – refers to the ULFC Whistleblowing Policy.

Disclosure - refers to any written communication, made in good faith and under oath, which discloses or demonstrates an intention to disclose information that may evidence an Illegal/Irregular Activity.

Recipient of the Report – refers to the any of the following: member of the Board of Directors, the President, Group Head concerned (group where the whistle blower belongs), Human Resources Management Group (HRMG) Head, Internal Audit Division (IAD) Head, Legal Services Group (LSG) Head, Compliance Officer, or Security Officer.

Retaliation - refers to any detrimental act, whether direct or indirect, threatened, recommended, or taken against a Whistleblower, Witness or any person closely associated with a Whistleblower or Witness such as; member of the family within the second degree of consanguinity or affinity, or a person who maintains close relationship with a Whistleblower or Witness, in relation to a Disclosure under investigation, which may come in the form of, but is not restricted to, threats of physical harm, harassment, discrimination, withholding of benefits, unjustified performance rating, re-assignment affecting prospects of promotion, punitive work assignments and termination from employment.

Retaliation Complaint - a sworn written complaint by the Whistleblower or Witness which alleges retaliation for having made a Disclosure, or for having refused an Illegal Order, or Interference with an attempt to make a Disclosure.

Whistleblower - refers to any associate who has personal knowledge or access to any data, information, fact or event constituting an Illegal Activity and makes a voluntary disclosure thereof in accordance with the provisions of this Policy; provided that, in cases where such person participated in the reported Illegal Activity, such person is not the most guilty.

Whistleblowing - the disclosure of actual or suspected wrongdoing such as, dishonesty, breach of trust, misrepresentation, concealment, illegal activities, and such other acts analogous thereto.

Witness - any associate, who provides admissible information or evidence voluntarily and is not the subject of an inquiry. If he/she is 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 most guilty.

III. OBJECTIVES

The objective of the whistleblowing policy is to protect the whistleblower, this promotes the commitment towards accountability and transparency, by:

1. encouraging and enabling the ULFC Associates to report actual or suspected wrongdoing within the organization;
2. providing a protected misconduct reporting mechanism to remove inhibitions that may impede such disclosures and protect those who make serious misconduct disclosures; and
3. strengthening ULFC's commitment to fight graft and corruption thru established guidelines in handling reports and investigation of alleged illegal activities

Likewise, the policy aims to standardize the reporting process of all units of ULFC to ensure that appropriate, fast and coordinated actions are taken in response to reports of actual or suspected wrongdoing against the company. The guidelines also promote legal and ethical organizational behavior by assigning responsibility to units in ULFC.

IV. SCOPE

This policy shall apply to Illegal and Irregular Activities as defined in this policy, including acts or omissions defined under applicable laws and rules and regulations committed against ULFC by the following:

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

V. POLICY PRINCIPLES

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

1. The company shall ensure that you can raise your concerns about wrongdoing or malpractice within ULFC without fear of victimization, subsequent discrimination, disadvantage or dismissal.
2. The company shall encourage responsible reporting of acts or omissions that constitute Illegal Activity;
3. The company shall exert all efforts to protect Whistleblowers and Witnesses who report acts or omissions that constitute an Illegal Activity;
4. All associates involved in a Whistleblower case shall keep in absolute confidentiality the identity of the Whistleblower, the subject matter of the Protected Disclosure, and the documents and proceedings undertaken relative thereto;
5. Disclosure of any material information or identity of the Whistleblower or Witness shall be made only when necessary for fact-finding investigation or in the appropriate judicial/quasi-judicial/administrative proceedings;
6. 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.

VI. REPORTING

A. What to Report

The whistleblower may report actual, suspected or consummated wrongdoing in ULFC 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, credit card, loans and drug-related issues.

Considerations:

1. Unsubstantiated allegations which are found to have been made maliciously, or knowingly to be false, will be viewed seriously and may be subject to disciplinary action including dismissal, termination of service or cessation of a service or client relationship.
2. A Whistleblower must provide information to assist any inquiry/investigation of the wrongdoing disclosed.
3. It is important to note that making a report will not protect the Whistleblower from the consequences flowing from involvement in the wrongdoing itself. A person's liability for their own conduct is not affected by their reporting of that conduct under this policy.

B. Who to Report to

The Whistleblower may report (via email, phone call or letter) actual or suspected wrongdoing against the Bank to any of the following: ('Recipient of the Report'):

- Board of Directors

- President
- Group Head concerned ((group where the whistle blower belongs)
- Human Resources Management Group (HRMG) Head
- Internal Audit Division (IAD) Head
- Legal Services Group (LSG) Head
- Chief Compliance Officer
- Security Officer, or
- Customer Relations Center (CRC)

The Recipient of the Report is duty-bound to:

- Acknowledge receipt of the report and to communicate to the Whistleblower the status of the complaint and manner by which the concern is being handled.
- Determine the appropriate protection and benefits to be given to the Whistleblower or Witness.
- Assess the qualification of Whistleblowers or Witnesses for coverage within this Policy.
- Act on requests for transfer to another department or branch by Whistleblowers or Witnesses who are discriminated against, isolated and treated differently by their officers and co-associates in their units.

C. Procedure

1. The Recipient of the Report informs the designated unit or person to log the report.
2. The Recipient of the Report shall endorse the report to the President/Officer-in-Charge of the concerned unit and HRMG Head within five (5) days from the time the report was made. If the President/Officer-in-Charge is the subject, the report shall be endorsed to the HRMG.
3. The President/Officer-in-Charge and the HRMG Head shall determine if the Whistleblower's report requires investigation.
 - If the President/Officer-in-Charge Head and HRMG Head decide to proceed with an investigation, they shall coordinate this with the Internal Audit Division (IAD) and inform the Recipient of the Report of the endorsement.
 - If not, they shall inform the Recipient of the Report why there is no merit for an investigation.
 - The President/Officer-in-Charge and HRMG Head is given not later than forty five (45) days from receipt to finalize their decision on the report.
 - Once IAD has conducted an investigation on the report, it may endorse this to the appropriate committee. The report will then be subjected to the guidelines and policies observed by the committee.
 - The President/Officer-in-Charge and HRMG Head may appoint an investigating body independent of IAD, if deemed necessary.
4. For irregular activities pertaining to gambling, credit card and loan-related issues, the following procedures shall be applied:
 - Associates that are cited as habitual gamblers or associates whose gambling activities even after work hours, already affect the company's reputation or put the company at risk for potential loss, shall be reported to

their immediate supervisors.

- Associates cited due to outstanding credit card balances and loans on the other hand, shall be subjected for verification in CMAP/NFIS.
 - The immediate supervisor shall conduct a coaching session with the associate involved. The immediate supervisor shall submit the results through a duly accomplished coaching form, to the President/Officer-in-Charge as soon as possible but no later than five (5) calendar days.
 - President/Officer-in-Charge shall determine if the issue can be resolved within his/her level and conduct an investigation and impose sanctions in accordance with LBP Group Code of Conduct, if necessary.
 - As a preventive measure, the President/Officer-in-Charge may opt to reassign the associate from sensitive positions, specifically those that involve cash handling and the like. The President/Officer-in-Charge shall issue a memorandum of reassignment to the said associate and inform the HRMG of the reassignment for proper documentation/201 filing.
5. Associates who are allegedly involved in drug-related issues shall be dealt with accordance with the provisions of the LBP Group Policy and may be subjected to drug-testing and other procedures.
 6. 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.

D. Contents of the Report/Disclosure

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.

E. Period to Report

A Whistleblower may report an Illegal Activity within the prescriptive period under applicable laws.

F. Third Party Reports

Reports or Complaints on an Illegal Activity made by a Third Party against members of the Board of Directors or associates of the company 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.

VII. PROTECTION OF WHISTLEBLOWERS AND WITNESSES

ULFC is committed to protecting the wellbeing of associates who report actual or suspected wrongdoing against the company. Whistleblowers and 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 company, 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 most guilty 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 ULFC 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 or 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 an 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 LBP Code of Conduct.
3. A Retaliation Complaint shall not in any way affect the investigation of a prior allegation of purported illegal activity.
 4. All activities and pertinent details concerning the report, the Whistleblower, witnesses and any other person who assists in the investigation shall be held in strict confidence.
 5. Whistleblowers or 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 Unit that can carry out measures to protect the Whistleblowers, Witnesses and their families. The company 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 ULFC and the whistleblower or the witness.

E. Malicious and False Reporting

Allegations made in good faith and reasonably believed to be true by the Whistleblower or Witness, but it 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 LBP Code of Conduct, without prejudice to criminal and civil liabilities that may arise therefrom.

VIII. ANONYMITY AND CONFIDENTIALITY

1. The Recipient of the Reports, and all other ULFC associates, directly or indirectly working on a Whistleblowing case, shall maintain the confidentiality of the identities of Whistleblowers and/or Witnesses; the information and documents relative to the whistleblowing case and prevent these from falling into the public domain or into the possession of unauthorized persons. Provided however, that the information has not been made public or considered as public knowledge prior to the Whistleblower or Witness' disclosure/report and/or was divulged during or after the

disclosure without fault on the part of the Recipient of the Report and other company personnel working on the case.

2. Except as authorized or disclosed by the Whistleblower or the Witness himself/herself, all persons involved and handling the case shall refrain from making or causing the disclosure of sensitive information relative to the case proceedings, evidences and personnel involved.
3. Information given by the Whistleblowers and Witnesses shall not be disclosed, published or disseminated to other parties except as authorized by the Whistleblower and/or Witness in writing and to refrain from making or causing to be made copies of the information, including all files, documents and records without prior written authorization of the Whistleblower or Witness, unless otherwise ordered by a court of competent jurisdiction or by law, or authorized by the Board of Directors, or upon request by concerned government agencies through appropriate legal processes.
4. Officers and staff who have inhibited themselves from the investigation or those coming from concerned ULFC Units who have conflicts of interest shall neither have access to files or records nor made privy to any information relative to the case.
5. Any associate who violates this protection of confidentiality shall be subject to disciplinary and/or criminal action as may be provided under existing pertinent laws and regulations of ULFC/LBP Group.

IX. MONITORING AND EVALUATION

HRMG shall provide a whistleblowing monitoring report, to the following:

1. Risk Management Department
2. Bank Compliance Department

X. AMENDMENT

This Policy shall be subject to periodic review and may be amended by the Board of Directors upon majority vote of its members present in a meeting.

XI. EFFECTIVITY

This Policy shall take effect upon the approval of the Board of Directors.