



RFA BANK OF CANADA

Whistleblowing Policy

Board Approval: May 2024

NFRGC Review: April 2024

Policy Owner: Chief Compliance Officer

Version #: 4.0

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1. Purpose

The purpose of this policy is to establish and communicate the RFA Bank of Canada (“the Bank” or “RFA”) framework for receiving and dealing with reports of wrongdoing in a confidential, fair, and consistent manner.

2. Scope / Applicability

This policy applies to the Bank, its Board of Directors (“directors” or “Board”), officers, employees, and agents and pertains to all products and services provided by the Bank and all dealings between the Bank and any third party.

3. Definitions

Financial Consumer Agency of Canada (FCAC): the FCAC monitors and supervises financial institutions that are regulated at the federal level to ensure compliance with the consumer provisions of the Bank Act, including expectations established through the FCAC’s Guideline on Whistleblowing Procedures for Banks.

Governance Committee: RFA Bank’s Governance, Conduct Review and Compensation Committee (GCRCC) is a committee of the Board for the Bank

Reporter: a person who reports a concern

Wrongdoing: a contravention of (a) the law, including any provision of the Bank Act or related regulations, (b) a voluntary code of conduct that the Bank has adopted or a public commitment that it has made; and (c) a policy or procedure established by the Bank.

4. Principles

The Bank and its directors, officers, employees, and agents are expected to adopt the highest standards of professionalism, honesty, integrity, and ethical behavior. For these reasons, the Bank is committed to maintaining a workplace where employees and others are encouraged to report suspected wrongdoing or misconduct without fear of retaliation.

This policy is designed to meet the requirements of the FCAC Guideline on Whistleblowing Procedures for Banks and Authorized Foreign Banks. Failure by employees to follow this policy, or misuse information that could reveal the identity of Reporters, unless otherwise required by law, may result in the termination of employment for just cause/willful misconduct.

5. Policy Requirements

5.1. Accessible Whistleblowing Policies and Procedures

The Bank’s Whistleblowing Policy and reporting procedures are posted on the main landing page of its internet website to enable access by employees, employees of third parties, brokers, customers, and any other concerned persons.

5.2. Types of Concerns

Whistleblower reporting covers five major categories of potential wrongdoing:

1. Financial Accounting Policies, Accounting Controls and Audit Allegations

These allegations include those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation to accounting standards.

Examples: falsification of records, suppression of information, avoidance of controls

2. Legal and Regulatory Allegations

Breaches (real or attempted) of legal or regulatory requirements applicable to the Bank.

Examples: fraud or false information in regulatory returns

3. Breaches of the Code of Conduct

Any real or attempted breaches of the Code of Conduct.

Examples: bribes, kickbacks, undeclared conflicts of interest, personal harassment, discrimination

4. Breaches of Policies and Procedures

Any real or attempted breaches of the Bank's policies and procedures

Examples: failure to follow the Bank's underwriting guidelines or security procedures

5. Retaliatory Acts

Retaliation against employees who allege misconduct related to the above allegations.

Examples: dismissal, demotion

5.3. Integrity & Security Assurances

Compliance risk management is essential to maintaining integrity. The Bank will take the necessary steps to ensure that it is managing compliance risks associated with integrity and security specific to whistleblowing, in accordance with the OSFI Integrity and Security Guideline.

This involves providing effective channels (internal & external) to raise concerns over non-compliance with regulatory expectations, laws, and codes of conduct and provide constructive feedback.

5.3.1 Reporting Channels

Employees and others have multiple channels for reporting concerns and providing feedback.

- 1.** Anyone wishing to report a concern may do so by contacting a confidential and independent third-party whistleblower service, the contact information of which is available on the Bank's website;
- 2.** Any employee can report wrongdoing, make a complaint, or file a grievance with their supervisor or the Human Resources Department; and,
- 3.** Reporters also have the choice of reporting a wrongdoing directly to the Commissioner of the FCAC, the Office of the Superintendent of Financial Institutions (OSFI), or any other government agency or body that regulates or supervises financial institutions, or a law enforcement agency.

FCAC

427 Laurier Avenue West, 6th Floor,
Ottawa ON K1R 1B9

English: 1-866-461-FCAC (3222),

French: 1-866-461-ACFC (2232)

canada.ca/en/financial-consumer-agency

OSFI

255 Albert Street, 12th Floor,
Ottawa, Ontario K1A 0H2

1-800-385-8647

information@osfi-bsif.gc.ca

5.4. Confidentiality Requirements

All reports are treated as confidential. The identity of anyone who reports a wrongdoing, and any information that could reasonably be expected to reveal the employee's identity, are kept confidential unless, (i) the individual indicates that he or she does not wish to remain anonymous; or (ii) the Bank is required by law to disclose the Reporter's identity and/or information that could reasonably be expected to reveal their identity to the FCAC Commissioner, OSFI, a government agency or body, or a law enforcement agency, if the disclosure is necessary for the purposes related to an investigation.

The Bank will inform a Reporter, through the confidential third-party Whistleblower application, when their identity or information that could reveal their identity has been disclosed, and to whom. The FCAC, OSFI, other government agencies, and law enforcement agencies may disclose to each other the identity of a Reporter and information that could reasonably be expected to reveal the Reporter's identity for purposes related to an investigation.

5.5. Anti-Reprisal Assurances

The Bank will not dismiss, suspend, demote, discipline, harass, or otherwise disadvantage an employee, or deny an employee a benefit of employment, on account of their having made a Whistleblower report.

The Bank is strictly prohibited from retaliating against anyone who, acting on the basis of reasonable belief, has

- a) reported particulars of a wrongdoing;
- b) refused or stated an intention of refusing to do anything that they sincerely believe to be wrong; or,
- c) done or stated an intention of doing anything that is required to be done in order to prevent a wrongdoing from being committed.

Acts of retaliation should be reported immediately to the Chair of the Governance Committee. Any effort to prevent any person from doing anything listed in the foregoing clauses a) through c) is similarly prohibited.

5.6. Processing of Reports

Supporting Document: Whistleblowing Internal Procedures and RFA Bank Internal Investigation Protocol

The Bank maintains a process (the "Process") for addressing the receipt of a report, as well as reviewing, investigating and communicating with a Reporter, and reporting of results and conclusions.

The Process is limited to a small number of defined individuals in order to protect confidentiality and is designed to ensure timely, appropriate and impartial handling of report. It is also designed to ensure that control over any report cannot be limited to just one individual in order to avoid conflict of interest matters.

Following the investigation and evaluation of a report, the Chair of the Governance Committee will report to the Governance Committee on recommended disciplinary or remedial action, if any. The action determined by the Governance Committee to be appropriate under the circumstances will then be brought

to the Board or to the appropriate members of Senior Management for authorization or implementation. The action taken to resolve any matter that has been reported may be noted in the minutes of the Governance Committee.

If an allegation made by an employee is determined to be false and made maliciously or for personal gain, disciplinary action may be taken against the employee.

5.7. Training

The Bank provides regular and ongoing training for employees that covers all aspects of the Policies and Procedures, with the aim of encouraging reporting, as well as specific and tailored training for all employees who deal with reports of wrongdoing. Training materials are available to all employees through the Bank's training application.

6. Roles & Responsibilities

Board of Directors

- Ensuring that a reasonable and prudent policy is established;
- Reviewing and approving this policy per the review cycle;
- Receiving timely, accurate, independent, and objective reporting per policy requirements; and,
- Taking appropriate remedial action as may be required.

Governance Committee

- Reviewing and recommending to the Board the approval of the Bank's Whistleblowing Policy;
- Overseeing the investigation and resolution of reports; and,
- Seeking assurance that adequate resources are allocated to support the whistleblower program.

Chair of the Governance Committee

- Executing responsibilities identified in this policy in the event of a Whistleblower Report.

Non-Financial Risk Governance Committee

- Reviewing and recommending to the Governance Committee the approval of the Bank's Whistleblowing Policy.

Chief Compliance Officer (CCO):

- Providing, in coordination with the Corporate Secretary, appropriate regular and ongoing Whistleblower training for employees; and,
- Reviewing and approving this policy as recommended by the GCRCC per the review cycle.

Corporate Secretary:

- Communicating the Whistleblowing Policy and Procedures, providing Board and Senior Management support for the Process, and providing reminder re prohibition of retaliation throughout the Bank;
- Providing specific and tailored training for all employees who deal with reports of wrongdoing; and,

- Reviewing and approving this policy as recommended by the GCRCC per the review cycle.

President & CEO

- Overseeing activities, including the Bank's Ethical Behaviour and Code of Conduct and the Bank's corporate vision, mission and values;
- Ensuring effective implementation of the Board's decisions;
- Ensuring that the Board and Board Committees are provided with the resources and information they require to fulfill their mandates, including access to the President and/or other members of Senior Management and, when requested, external advisers; and,
- Providing leadership, direction, and motivation to the Bank's Senior Management and employees.

7. Monitoring and Reporting

The following roles and responsibilities have been established for Whistleblowing:

Chief Compliance Officer:

- Provide summary-level reporting of whistleblower cases to the GCRCC;
- Provide reporting to the GCRCC on the status of action plans to change policies or procedures as a result of Report investigations; and,
- Provide bank-wide training to promote awareness of the Whistleblower program.

Governance Committee:

- Oversee the establishment and implementation of policies and procedures and demonstrate support for whistleblowing throughout the organization.

8. Record Keeping

The Bank's Whistleblower Application is the book of record for all reports that meet the definition of a whistleblower report as defined in this Policy, including any anonymous reports of wrongdoing and any received by or in relation to a Third Party. Records pertaining to a report are retained in compliance with applicable laws and the Bank's document retention policies, subject to safeguards that ensure their confidentiality, and, when applicable, the anonymity of the person making the report.

9. Oversight & Authority

9.1. Ownership & Approval

This policy is owned by the CCO of the Bank and approved annually by the Board.

9.2. Policy Compliance & Exception Management

The CCO is responsible for overseeing compliance with this Policy and reporting non-compliance to the CRO and CEO. Exceptions to this policy are not permitted.

10. Change Log

Version	Approval Date	Made By	Description	Approved By
1.0	March 2021	Corporate Secretary	Original	BOD
2.0	April 2022	Chief Compliance Officer Corporate Secretary Director, Compliance	Overhaul of policy structure to comply with RFA Bank Policy Framework. Updates made throughout to ensure compliance with new FCAC Guideline issued March 2022.	BOD
3.0	April 2023	Chief Compliance Officer & Corporate Secretary	Annual review	BOD
4.0	May 2024	Chief Compliance Officer & Corporate Secretary	Annual Review Updated to include reference to OSFI Integrity & Security Guideline – Section 5.3	BOD
5.0	March 2024	Marketing	Branding Update	BOD